THE FINANCIAL POST

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PRICE ADVANCES MORE SHARP THAN IN THE WAR BOOM

Advance in Steel Wages Reflected in All Industries

CHECKS PRODUCTION

Increase Asked in Mining Industry Would Mean That Much Low Grade Ore Would Be Lost

Industry has been bidding up the rates of wages for several months. The number of industrial wage increases effected in the month of March in the United States established a record according to the New York Trust Company. According to the figures of the Labor Bureau Incorporated, no fewer than 218 wage increases were granted by industrial concerns in March compared with 86 increases in January. The Bureau's figures for March show that 59 of the increases were made in the woollen and worsted industry, 44 in the building construction and materials trades, 39 in the cotton industry and 26 in the printing trade.

The 11 per cent. increase granted to the steel workers represents, according to the Iron Age, the appearance of competition from outdoor projects for the available supply of unskilled workers. Predictions are made that present business activity will continue for several months, and while it continues, the incentive remains to compete for labor and consequent further soaring of wages need not be surprising.

The wage situation is one of the phases of the new period of rising prices to which economists have been directing attention. Figures recently issued by Professor Irving Fisher indicate that wholesale prices have advanced from an index figure of 156 in January to an index figure of 168 early in April and he contends that the present inflation has been "steeper in its curve than the average of the Civil War or World War."

Increases Check Production

Industrial conditions in Canada have been similarly affected by higher wages paid labor. This has been particularly noted in the steel and textile industries but all industries are involved. There is a shortage of skilled workers in many lines because of the movement to the United States. A demand for an increase of 20 per cent. by the miners in the Porcupine field provides an example of the effect of these wage increases upon the extent of operations in the industry concerned. The higher the operating costs the greater the limitations as to the kinds of ore which can be profitably mined. Realization of the country's national wealth is reduced to the extent of the ore which is not of sufficient richness to warrant handling at current wage costs. With an increase of 20 per cent. in labor expense many of the mines will have to discard a large portion of their low grade ores.

Canadian Makers Benefit

Inability of American manufacturers to meet the demands of the home market, particularly in regard to the manufacture of steel, has resulted in some refusal of further orders for shipment to Canada. This means additional business for Canadian manufacturers and with advances in wages and a shortage of skilled workers, higher prices are being put into effect.

Despite the lessons of the previous experience with inflation it would seem that with such a sharp upward movement in prices another reaction must be guarded against. This applies to Canada as well as the United States even though we may not experience the boom here which is now noted on the other side of the international line. We are, in Canada, dependent to a larger extent than the United States upon the agricultural industry and the return to the farmer is based on the rather problematical buying power of food importing countries. In this connection the recent strength in the market for wheat is important not only in relation to the future but in its bearing upon the return from the residue of last year's crop still in the farmers' hands. It is estimated that in Western Canada wheat still held approximates 40,000,000 bushels.

General conditions do not show material change. Steel, textile, paper and lumbering industries continue active. Bunlding operations are encouraging. Industrial expansion is in evidence. In wholesale and retail trade the weather has been an unfavorable factor in retarding the seasonal improvement. But stocks are light and buying improvement would be quickly reflected on manufacturers.

Schwab Says Inflation Must Be Prevented

In a statement to Dow, Jones & Co., Charles M. Schwab says,

"Indications are that we are entering a period of business expansion that the utmost caution must, however, be exercised to prevent this from developing into a secondary inflation and that our job right now is to keep an even keel and steer a straight course. Business is on a firm foundation and must be kept there."

Taxes on Industries Are Heavy in Toronto

This week's ruling by the Appellate Court upholding the assessment act of Toronto in levying on the dividends of subsidiary companies as income is another burden on a number of the city's important industries which promises to further discourage expansion. Lever Brothers, Limited, operate a plant in New Brunswick, the St. Croix Soap Company. Profits from this company come in the shape of dividends and are taxed as income.

Toronto industries generally are complaining of heavy tax burdens as compared with industries located in other parts of the country with which they have to compete in marketing their goods. Expansion is discouraged rather than encouraged under these conditions, especially when in the adjoining province of Quebec plants can be established and business developed on a much more favorable basis so far as taxation is concerned.

SOME INCREASE IN IMMIGRATION FROM BRITAIN

Ban Raised on Settlers of Former Enemy Origin

From Our Own Correspondent.

OTTAWA.—Immigration has not been long in responding to recent efforts to stimulate it, especially from the British Isles. The number of arrivals therefrom during March was 5,000, or nearly double for the same month last year. Some think that it may go as high as 10,000 during April, which would be very satisfactory. During the next year or two the great bulk of the immigration must come from across the seas. From the number that have come so far this year it is quite evident that quite an inflow is to be expected, now that the government is letting it be known overseas that immigrants will be welcomed.

One of the things that the government has done to stimulate immigration has been the removal of the ban on immigrants of German, Austrian or Hungarian origin. There was no reason for retaining this after it had been removed in Britain. Those familiar with the prairie provinces know that many of the settlers out there belong to these races, and that they have no difficulty in getting on their feet within a reasonably short time. It is also generally found that within a generation or two the children of these people differ very little from those of the native born.

The announcement of an understanding between Deputy Minister of Immigration Black and the British government for a large number of immigrants a year under the provisions of the Empire Settlement Act, is also another long step forward. The opposition in parliament has not been so much to immigration as to certain proposals that would cost a great deal of money without any assurance that they would get immigrants. But with the removal of the ban on settlers of former enemy origin some of the best types of settlers will be secured without appreciable expense, while those secured from Britain under the settlement scheme are obtained at the minimum cost.

The action of the railways in granting a reduction in fares west of immigrants coming via the St. Lawrence will have a very good effect. It means that the settlers will have more money when they reach their destination, which is a consideration in these days of high prices, while it assures the public that the transportation interests are doing all they can.

Britain Cuts Expenditure

The British Chancellor of the Exchequer in estimating the budget for the last fiscal year foresaw revenue receipts of £910,775,000 and expenditures amounting to £902,691,000. The actual returns were, revenue, £914,012,452; expenditure, £812,496,604. Thus the British revenue fulfilled expectation while the program of national economy produced results on the expenditure side far more satisfactory than had been hoped for by British financial experts.

What Great Britain has accomplished in budget improvement during the four years elapsing since the Armistice is indicated by the following figures:

Fiscal Year	Revenue	Expended
1919-20 . . .	£1,352,000,000	£1,665,000,000
1920-21 . . .	1,435,000,000	1,195,000,000
1921-22 . . .	1,127,000,000	1,079,000,000
1922-23 . . .	914,000,000	812,000,000

British revenue has decreased by about one-third since the first peace year, due in part to lowering of taxation, but expenditure has been halved—a very striking accomplishment.

Supplementing the improved position of the British national finances in the year just past, Great Britain is undertaking further economies. The preliminary estimates for the military and civil departments of her government, recently submitted, show a contemplated saving of £100,000,000 for the new fiscal year compared to last year's estimates.

ALBERTA DROUGHT RELIEF ACT WILL BE SUPERSEDED

New Machinery Provided for Voluntary Adjustment of Debts

From Our Own Correspondent.

EDMONTON.—New legislation will replace the Southern Alberta Drouth Area Relief Act, to which considerable objection has been taken. The old act passes automatically on June 1, and the Debt Adjustment Act will take its place. By this new act machinery will be set up for the voluntary adjustment of debts, very much on the basis of the debt adjusting bureau scheme in Saskatchewan.

The drouth area as established by last year's legislation will still stand, but some changes will be made in its administration. Chief among the differences between the old and new acts will be provision now for any district court judge, at his discretion, to cancel the certificates granted by the directors of the drouth area relief, protecting the debtor from action. The last word will thus be left with the judge instead of the commissioner of the relief scheme, as formerly.

Directors of the act will still have wide powers. Any debtor or creditor may make application to them, and it will then be their duty to endeavor to bring about amicable arrangements for settlement or payment without recourse to legal proceedings, if possible. The director may, for such purpose, inquire into the validity of the claims and the ability of the debtor to pay either at once or in the future, with settlement accordingly. An increase of crop exemptions under the act is provided for.

The drouth area directors will be required to give creditors full information as to the financial affairs of the individuals to whom they extend protection, and fines are laid down for any debtors who fail to comply with the conditions of the law.

All the province will come under that part of the act dealing with the voluntary adjustment of debts. Commissioner E. J. Fream, of the Public Utilities Board, will continue to serve as adjuster, his work being that of an intermediary between debtor and creditor. It has been found that in some 500 cases already dealt with on a purely voluntary basis, prior to the passing of the new act, that reasonable and satisfactory agreements have been reached without resorting to court proceedings.

Sales Tax to be Put on Production and Imports

There is a well defined rumor in business circles that there will be important amendments proposed by the government in connection with the sales tax. A straight 5 per cent. on the source of production and on imports is mentioned.

LUMBER PRICES ADVANCE

Some of the Ontario lumber mills report that they have disposed of the coming season's output on a basis 15 to 25 per cent. above the prices realized last year.

Creditor Firms Want to Know What is Owing to Government for Taxes

In connection with the winding up of the affairs of the Toronto Laundry Machine Company, the trustee finds that the proceeds of the estate were insufficient to pay the preferred and secured shareholders in full, with the result that there is nothing for the general creditors.

The secured and preferred claims embraced bank obligations and amounts due to the Department of Finance and the Department of Customs and Excise amounting to over $32,000, or about 40 per cent. of the total.

Manufacturers and other business concerns which were doing business with this company were in no position to know of the large arrears owing to the government for various taxes.

The constructive suggestion is made that the government publish in the Canada Gazette the names of firms more than one year in arrears in their payments of taxes or take some other action so that there might be reasonable protection provided for firms with whom such concerns are doing business.

Immigration Policy Has Been a Failure, Says Colonel Hatch

Government Should Have Assistance of Big Men of the Country is Solving the Problem—Canada Wants People Who Will Work and Consume

By ARTHUR F. HATCH,
President Canada Steel Goods Company, Chairman Ontario Branch Canadian Manufacturers' Association.

An important matter which should be drawn to the attention of the people of Canada is our immigration policy. I believe that our immigration policy is a failure, and requires a great deal of assistance being given to the government so that we may help show them how it can be remedied.

A lot of the trouble has been caused through the idiotic policy of labour who desired that no more workers must come to this country, their object being that with a scarcity of labor, those who would be required for work in the industrial and agricultural businesses of this country would be able to state their own rate of wages and send them skyhigh. This idea was bound to meet with defeat, as it made to increase the overhead charges of anything made or grown in the country, and those engaged in labor were compelled to pay much higher prices for what they used and consumed, than would have been necessary had they figured out a saner policy. This shortage of industrial and agricultural help caused many industries to go out of business, and many a man who was employed at a good fair, moderate wage was compelled to take an inferior job in whatever avenue he could find employment.

If Canada is to succeed, factories and farms must be kept humming. There must be competition in the services of men as there is in the services of merchandise, and the energetic, industrious employee with ability, must be allowed to come on top, and succeed sufficiently well to establish another industry in this young country which needs them so much. Canada requires an immense number of people who will be able to consume everything which the farmer can grow and which the farmer should sell to the consumer at a profitable price.

The farmer has been shut out of the American market by the Fordney tariff, and the American Government said to the Canadian farmers, 'We do not want any more of what you grow; and if you desire to send it into our country, you will sell it at least 30% less than we will pay for produce grown in the United States.' This terrific boycott placed against the Canadian farmer is a sufficient reason for every red-blooded Canadian to demand justice from any government which is in power. Canadian industries must be protected, that will give employment to every male and female that desires to do honest work in Canada, and the more work-

(Continued on Page 9)

What the Business Boom in the United States Means to Canada

By H. T. HUNTER,
Vice President, MacLean Publishing Company.

The reductions in wages and prices which took place in the spring of 1920 have stimulated buying and the tendency to-day is again for increased wages and increased prices. There is a disposition on the part of everyone to take advantage of the present good business and a wave of optimism has spread over all of the United States such as has not been felt since 1919.

Hotels and restaurants in New York and other large cities are crowded. Theatres are sold out for weeks in advance for what we considered rather mediocre plays. People are flocking to the cities to spend the money they have made and to make purchases at the big buying centres.

Railroads are placing very large orders for rolling stock and will have to place orders for terminal and other equipment to make use of the additional rolling stock they have ordered.

Steel companies made important advances in wages. Paper mills state that they will have to make an advance in the next few weeks. Cotton is selling at a very high price and is expected to go higher. These higher wages unquestionably mean greater buying power for people in all industrial centres.

With the exception of the Southern States where cotton is the dominant factor, the farmer has not yet come into the market in a large way. He had a good crop in 1922 but labor charge was high. Farm prices have improved during the past year and the farmer is expected to be a greater factor in the market during the coming summer and fall.

Business paper editors, financiers and the bigger and broader-visioned manufacturers are almost unanimous in their expressions of regret that it has been necessary to make advances in wages to labor. They would have preferred to have seen labor get the advantage of lower cost of living. The present advances in wages will very soon be eaten up by higher cost of living and will be no permanent advantage to the laborer. On the other hand, any advantage that labor gets from lower cost of living will tend to be more permanent because business will be on a sounder basis. It was hoped that when the readjustment took place in 1920 that there would have been sufficient volume of immigration to keep prices on a reasonable basis.

When manufacturers are running at full capacity and when a shortage of raw material develops, it becomes necessary for them to place orders a considerable length of time in advance for large quantities of goods. If prices become inflated a break in prices is sure to follow and the manufacturer who is caught with large commitments for stocks of raw material will have to face a very serious loss.

Canada is usually six months behind the United States in both good times and bad times. For some reason or other, the revival in business which started nearly a year ago and which has reached such big proportions now in the United States has yet only been felt to a slight degree in Canada. Possibly the reason for this is that the farmer is a much more dominant element in the buying power of Canada than in the United States. On the whole this is an advantage as farming is less subject to fluctuations than any other line of business. The farmer does a great deal of his own labor and is assured of steady employment himself.

ACTIVITY IN NICKEL MINES INCREASING

B.A.N.C. Will Resume at Once While Mond Adds to Its Output

From Our Own Correspondent.

SUDBURY.—British American nickel plant will resume operations at Murray Mine. The plant is to employ 700 men, says the new general manager, Chas. A. Rose, of New York, who is here with other officials of the company. Operations will start as soon as they get the men together. The power question, while a difficult one, will be solved by Wahnapite Power Company, who are doing all they can to assist in the development of this industry for Sudbury. The plant has been closed for two years. Excellent long term contracts have been arranged for, according to a statement issued by Hon. E. N. Rhodes, president of the company. Mr. Rhodes also says the re-opening means a lot for the railroads as they consume over 700 tons of coal a month on which the freight charges are around $50,000. This means very much for Sudbury.

Smelting operations at Mond have been doubled and are now around 40,000 tons a month, which is highest since war time peak. Messrs. Philip Mond and Evan, directors, of London, England, are at Coniston now making an inspection of the plant. A large amount of construction work is going on at the plant. Another convertor is being installed and an addition to the flotation mill is being built. Around nine hundred men are now employed.

SIFTON BROUGHT GOOD IMMIGRANTS

Central Europeans Have Been Big Factor in Developing Wheat Lands of West

From Our Own Correspondent.

OTTAWA.—E. J. McMurray, member for North Winnipeg, speaking in support of the immigration estimates, said:

"Whenever we brought the real agricultural immigrant to this country he stayed. The settlers who have not remained in this country, in my opinion, were not of the real agricultural type.

"What did immigration do for Western Canada? When Hon. Clifford Sifton became minister of the Interior and took charge of immigration in this country it was as if a wizard had waved its wand over the land. In Western Canada everything was in a state of stagnation. In the eastern parts of Canada, including cities, a similar condition prevailed. In a few years immigration began to pour into this country. The country seemed to spring to life. The prairie that was untilled and uncultivated began to turn into fields of grain. The cities of Canada began to grow.

"When Clifford Sifton began his immigration policy the province of Saskatchewan was producing 5,000,000 bushels of wheat; today she is producing nearly 300,000,000 bushels—a marvellous thing and based solely upon the immigration policy. The harbor of Montreal last year was choked with grain vessels solely because of that immigration policy.

"The policy of Sir Clifford Sifton brought to Western Canada the Ukranians many of whom came in their sheepskin coats and in their quaint European dress; and today in the University of Manitoba 20 per cent of the students are the descendants of these people of Central Europe."

PROPOSED FLOUR TARIFF IN SPIRIT OF RETALIATION

Said to be Engineered by Breeders of Live Stock

WOULD HIT MILLING

Higher Prices in Mill Feeds Would Affect Stock Raisers —More Cattle Finished on Other Side

From Our Own Correspondent.

REGINA. — Possibility of Great Britain imposing an import duty on flour from Canada, or legislation which requires Canadian millers to ship mill offal with flour consignments, is regarded with equanimity by producers of, and dealers in, grain.

That change in the customs regulations of the United Kingdom along the lines indicated would be a severe blow to the flour milling industry in Canada and would also react unfavorably against livestock breeders, is admitted by wheat growers and officials of elevator companies operating in the grain belt. These interests contend, however, that wheat exporting would be greatly stimulated.

It is the opinion of those engaged in one or other of the many phases of the wheat business, that this tariff tinkering in which Old Country economists are engaged is a direct outgrowth of the removal of the British embargo upon importation of Canadian live cattle.

At least five outstanding results are likely should the United Kingdom impose an import duty on flour, or specify that flour secured from other countries be accompanied by mill offal:

1. Reduction in volume of Canadian flour milling and Canadian exports of flour.
2. A probable boost in the prices for mill offals used for cattle feeding by Canadian stock-feeders.
3. Increase in finishing Canadian beef cattle on the other side of the water.
4. Encouragement of wheat shipping, involving reduced handling and transportation charges, with a possible increase in returns to the producer.
5. Serious reduction in employment, resulting from falling off in activity in Canadian flour mills.

Though it seems incomprehensible that economists should seriously levy upon the importation of any essential foodstuff, it must be admitted that the present situation in respect to flour milling in Canada is somewhat abnormal.

During war years Canada and the United States were in a position to dictate to Old Country purchasers the form in which bread materials should be forwarded. The millers seized the opportunities offered, specified flour

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WESTINGHOUSE TO BUILD

The Canadian Westinghouse Company is planning a $1,000,000 addition to the plant at Hamilton.

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EDITORIAL

Development Versus Exploitation—The Problem of Depopulation—A Matter of Service—The Losing Partners — Lighter Taxes, More Revenue, Better Times

Crop Reports

As in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

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RAILWAY ORDERS BOOST BUSINESS IN OTHER LINES

American Lines Spent Over Billion and Canadian Lines Many Millions

NEW ROLLING STOCK

Canadian Pacific Putting at Least $13,000,000 Into New Cars and Equipment

From Our Own Correspondent.

MONTREAL.—American railroads are spending over a billion dollars this year on new equipment and extensions—chiefly for locomotives and cars. Canadian railroads also have given extensive orders for new equipment but the value of the Canadian orders cannot yet be calculated in dollars and cents because one of the two large systems of the country, the Canadian National Railways, finances to some extent upon government advances and these cannot be fully determined. The Canadian Pacific Railway is spending $7,663,100 on extensions and improvements of various kinds, is building 97 miles of road, the cost of which is not given and is purchasing equipment to a value of $12,295,000. It is quite likely actual purchases of equipment will exceed this figure for the C. P. R. before the year is out and that the C. N. R.'s total expenditures will run into a much higher total.

U. S. Traffic at Peak

United States railroads during the period from July 1st last to date carried the largest volume of traffic ever carried in any similar period in history. They did this with equipment 25 per cent. below normal. They are looking to this traffic to grow with larger developments in agriculture and industry. To meet the demands of the growing traffic they spent in 1922 $200,000,000 for cars; $45,000,000 for locomotives and $195,000,000 for trackage and other facilities. During 1923 $1,100,000,000 will be spent, divided as follows: for cars, $515,000,000; for locomotives, $160,000,000 and for trackage and other facilities, $425,000,000.

Equipment Financing Simple

It is not difficult for the American railroads to finance their requirements for cars and locomotives. These are movable assets and the money for their purchase is supplied by the sale of equipment trust bonds or certificates that are prior lien upon the equipment purchased. Equipment trust bonds find a ready market and even weak and almost insolvent railways find little difficulty in selling their equipment trust obligations because of the movable and tangible nature of the security behind the issues. But the financing of the extensions and improvements to the amount of $425,000,000 is a more difficult proposition and one that is causing railway executives much worry. The United States government handed back the railroads to the owners, after the regime of government operation, in a somewhat messed up condition. Even now there is a tendency to restrict legislation. For instance, a congressman from the Middle West has introduced a bill to prevent the railroads from increasing their capitalization beyond a pre-war basis. The railroads point out that farm property has increased its capitalization 30 per cent. in that period and that they cannot expand without increasing their capitalization.

Earnings are Improving

The railways are coming back and if they are not hampered by legislation can find the funds they need. American railroads are capitalized at around twenty billion dollars. They earned about 3 per cent. on this capitalization in 1922 and this year will earn around 5 per cent. One reason is the greater productiveness of labor. There are fewer men employed on the railroads, yet more freight and passengers are being moved.

Financial problems of Canadian railroads are different. The C. P. R. is in excellent condition and can borrow at the lowest rates of any railroad in the world. The Canadian National Railway owned by the Dominion of Canada, can always borrow on a favorable basis. For the past few years its borrowings have been easy of negotiation because the bond issues have had the guarantee of the Dominion of Canada. It is possible though that future loans for rolling stock will be made to stand upon their own feet; that they will be obligations of the C. N. R. without a Dominion government guarantee. Some time ago Hon. Mr. Graham intimated that such a procedure might be followed in future loans. Even without the Dominion guarantee the equipment trust certificates could easily be sold, but C. N. R. loans for extensions and improvements would probably be a different matter entirely.

Orders Boom Business

Perhaps the chief importance of the heavy expenditures of the railways is the fact that ultimately they are reflected in nearly every basic industry. Orders for locomotives and cars mean that steel plants, lumber mills, rubber factories, paint factories, etc., all will get orders for component parts of the equipment constructed. Thus big railway purchases start things moving in many industries. In the United States this tendency is already felt and in Canada the smaller orders, which are, however, substantial, are having the effect of increasing output and employment in many factories and industrial centres.

Cost Government $900,000 to Learn What Had Been Known for 25 Years

Hon. J. P. B. Casgrain recently told the Senate that the government of the Dominion, in conjunction with the government of Saskatchewan and Manitoba, had spent $920,000 in experimenting on coal at Bienfait, Sask., in the hopes of turning out briquettes. The effort was an absolute failure, he declared, and then added: "If those who were in charge of this matter had simply referred to the Canadian Pacific Railway and asked them about it they would have discovered that 25 years before they even started the work at Bienfait, the C. P. R. had made experiments and found they were not successful."

Later, he stated that he understood that 75 tons of the briquettes were turned out by the government and some of these were taken to a high official of the C. P. R., who said:

"Bring me a bucket of water." When the water was brought to him he put the briquettes into it and left them over night and the next morning there was nothing in the bucket but straw and dirty water.

Is Your Working Capital Earning the Wages You Pay in Interest?

How You Can Check Up Your Systems to Insure Prevention of Wastage in Accounts Receivable, Which is Just as Important as Preventing Cash Losses

By NOEL M. BASSIN, B. Sc., C.E.
Consulting Engineer and Accountant.

A periodical review of the effectiveness of methods of accounting and administrative control is a matter which deserves greater attention on the part of many industrial executives. The keeping of records for business control is a necessary expense and it should therefore be the aim of those responsible for the management to obtain the maximum degree of efficiency at a minimum of cost. This implies a need for more efficient administration in the conservation of the capital invested in an undertaking. A convenient way to examine this question is from the point of view of the balance sheet or financial statement.

Conservation of Assets

The main asset items in a normal industrial balance sheet are (1) cash, (2) accounts receivable, (3) inventories and (4) fixed assets representing the investment in plant and equipment. It is with a view to the conservation of these assets and their profitable use in carrying on and developing the business that control records have to be kept, and it should be of interest in any particular case to take in turn the items enumerated and decide in what respects the control is, or is not, sufficient. In many cases it will be found that accounting and other records could be considerably simplified with a corresponding reduction in administrative expense, but without impairing the general efficiency of the business. In other cases it may be found that while the system of records in use is a good one, full advantage is not being taken of the information to be obtained from them or it may be found that inadequate records are being kept. In nearly every case it should be possible to obtain increased efficiency.

There is, firstly, the item of cash. In most businesses cash is effectively controlled by carefully prepared accounts of all receipts and expenditures. A properly-arranged office routine, making full use of banking facilities and a careful periodical checking, balancing and auditing of the accounts, tends to prevent any direct cash loss. The exercise of diligence in keeping down operating expenses is a further means for preventing the leakage of working capital.

Accounts Receivable

The second item, accounts receivable, is subject to wastage mainly on account of bad debts and loss of interest on moneys outstanding, and while this item is usually adjusted for balance sheet purposes by setting up a reserve for what have come to be regarded as doubtful amounts and by writing off those which are definitely uncollectable, this procedure cannot be considered as a form of control to prevent the wastage or depreciation of this asset. It is in the nature of a resort to a surgical operation rendered necessary as a result of failure to observe the means of maintaining good health. It is true that many organizations operate quite efficient credit departments, but it is not always found that these departments are assisted by a periodical and thorough analysis of the accounts receivable. An analysis of these accounts should result in a classification of them according to the number of months that payments are outstanding, so that immediate attention can be drawn to amounts which have been carried beyond the normal or agreed credit period and so that sufficient and prompt action can be taken to ensure collection and, if necessary, to avoid accepting further business with delinquent customers. One way by which a valuable control can be exercised over the accounts receivable is to record each month the ratio they bear to the average monthly sales, thus giving an indication of the promptness of collections and the equivalent number of months' sales outstanding in receivables. The obtaining in this way of the trend of the accounts receivable will be an indication of the satisfactory administration or otherwise of this section of the business.

Obtaining Accurate Inventories

Coming now to the third item under consideration — inventories — we find that this is frequently the largest asset item on the balance sheet. We do not find as a rule, however, that this item can be verified with anything like the degree of accuracy obtainable in the case of cash or accounts receivable. It is a remarkable fact, but nevertheless true, that while every cent of cash down to even minute petty cash amounts is accurately and completely accounted for, and while accounts receivable may be thoroughly analyzed and protected from loss, the important asset of merchandise—whether it be in the form of manufactured stock, goods in process or raw materials—is seldom subjected to the same rigid accounting, and, consequently, its whole control is frequently dependent on the annual or semi-annual inventory. The profit made or loss sustained during the year is in direct relation to the inventory figures obtained and any inaccuracy in the item in question will be reflected immediately in the profit and loss statement and in the balance sheet. A discrepancy in the inventory total might easily result in an entirely erroneous state of affairs and be a serious handicap in outlining policies regarding future operations.

In any merchandising business the process of finding inventory values consists of three distinct stages: (a) the actual physical count or computation of quantities, (b) the determination of unit prices of the items listed, and (c) the clerical work in making extensions and in classifying and summarizing the figures obtained. To ensure accuracy, no figures should be accepted as final in any one of these three stages unless they have been submitted to a satisfactory and independent double checking. Very often it is found that the clerical work done in the third stage has been thoroughly verified, but in many cases this cannot be said of the work of the first two stages. Too frequently the physical count is left to irresponsible employees without a proper planning of the work and the exercise of supervision in carrying it out. The second stage, or pricing of the inventories, also affords loopholes for errors to creep in, and in some instances the errors may be of a cumulative nature thereby affecting the final valuation. The writer has in mind an engineering works where the basic cost of castings was taken in computing the inventories of manufactured and partly-manufactured goods at one cent per pound too high, and this error alone resulted in an overstatement of the inventory amount and the year's profits by more than $5,000. Inventories should be priced at cost, but when the cost price at the date of inventory is greater than the current market price or replacement cost the market figure should be taken for balance sheet purposes. In other words, inventories should be priced at either cost or market value, the one which is the lower in any particular instance being the price to be used.

Stock Records Cut Wastage in Merchandise

The foregoing remarks refer only to the annual or periodical inventory and not to the continuous control of stock and the safeguarding of the investment in merchandise. Just as receipts and expenditures of cash are, or should be, properly recorded by all business houses, so do well-managed concerns, especially the successful larger corporations, maintain adequate stock records on which are noted particulars as to quantity and price of all goods received and issued or sold. It is customary to show the balance on hand at any time and it is strongly advisable to verify at frequent intervals the balance shown on the records with an actual physical count, and any differences should be immediately investigated. An efficiently-operated stock record system is instrumental in preventing much wastage and loss of raw materials or merchandise and is invaluable in controlling and keeping at a minimum the amount of working capital tied up in inventories. A useful general control of inventories can be obtained by recording the ratios of inventories to average monthly sales and average monthly purchases and noting the trend of each of these ratios. Any abnormal increase would indicate an overloading of the investment in inventories.

Valuation of Fixed Assets

The fourth item, which includes fixed assets, such as real estate, buildings, machinery and equipment, is usually subject to sufficient accounting control, except in the matter of book values and of depreciation. The investment in buildings, machinery, etc., may appear in the books at actual cost or at an appraisal valuation, wastage or obsolescence of these assets to date being offset by the building up of a depreciation reserve. Plant values may, however, be carried at excessive amounts on account of abnormal construction or installation costs or as a result of an appraisal made during a period of high prices, and if the figures shown on the books are considered as reflecting an overstatement of the fixed assets, an adjustment should be made on the basis of a re-valuation in order that the figures on the balance sheet may represent the true investment. During the days of high prices, large amounts were distributed in dividends as a result of paper profits obtained by writing up the investment in fixed assets, and companies which took advantage of such methods of inflating their profits may now have to adopt a reverse process and absorb losses from having to write down excessive property valuations.

Reference might be made in passing to the subject of plant capacity. Over-capacity in plant and equipment means not only idle investment but also excessive carrying charges, and many companies to-day could with advantage review their investment in fixed assets from the viewpoint of over-expansion during the war period and the years immediately following it.

A thorough examination of the extent and efficiency of the methods for the control of invested capital will undoubtedly indicate where improvements can be made and wastage eliminated, having always in view the protection and conservation of capital while maintaining at a maximum the profits obtainable from its use in business operations.

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HEAVY INCREASE IN FOREIGN BONDS OFFERED IN U.S.

Last Year's Total Showed 56 Million Increase Over 1921

SUPPLIES EUROPE

England is Making Progress in Resuming Status as International Market

Although England is making further progress in resuming its traditional status in the international investment market, the United States has not only maintained but substantially strengthened its position as a source of new capital funds for world needs in the last year, according to the current Guaranty Survey, published by the Guaranty Trust Company of New York.

Discussing the position held by the United States in the field of international investment finance, the Survey says further, in part:

Dealing with only those items which represent a contribution of new money—refunding issues, unless otherwise noted, and short-term Government borrowings being disregarded in this discussion—foreign securities offered for public subscription in the American market amounted to $652,000,000 in the last year, a total $56,000,000 in excess of the former record year 1921 and more than double the aggregate the $301,000,000 reported in 1919. As has been the case hitherto, the major portion of the funds were taken by national governments and the political subdivisions thereof, an analysis showing $483,000,000 of issues of this nature and $169,000,000 of issues for corporate purposes.

An effort has been made to ascertain, insofar as it is possible to do so, the geographical distribution of the new capital sent to foreign countries by American investors in the last year. Combining all classes, it is seen that Europe led with $211,000,000, and that Latin America, Canada and Newfoundland, and the Far East followed in that order. In respect to government borrowing, Latin America occupied first place by a small margin over Europe. The ranking was altered, however, in the matter of corporate financing, the $79,000,000 which was sent to Europe being well in excess of the amounts taken by Canada and Newfoundland and by Latin America, which dropped to third place.

While American investors furnished private enterprises abroad with only $169,000,000 last year as against $203,000,000 in 1920, it is important to note that the $86,000,000 of corporation stocks and bonds put out here by foreign companies other than Canadian was larger than in any preceding year and was more than double the $41,000,000 reported in 1920. Considering Canadian, other foreign, and American foreign corporations together, industrial and miscellaneous companies received $80,000,000, railroads $65,000,000, and shipping and public utility companies $17,000,000 and $7,000,000 respectively.

Decline in Offerings

Aside from the unprecedented magnitude of the offerings, the feature of the year's operations in foreign stocks and bonds was the marked falling off of new financing consummated during the second half of the year. The first six months accounted for $388,000,000 of the $483,000,000 raised by public subscription for governments and municipalities and for $140,000,000 of the $169,000,000 raised for corporations. During the second half of the year conditions governing the emission of new issues were not so favorable as those which prevailed in the first six months, while in addition, foreign securities were affected by the reaction of investors to the unsettled political conditions abroad.

England, which on the basis of returns for six months appeared to have returned to practically a prewar basis, experienced a corresponding reduction of foreign flotations in the last half-year. During the second half of the year the output was only $23,000,000, against $253,000,000 for the first six months, although comparing whole years, marked improvement was shown over the 1921 figures of $111,000,000. The 1922 total of $276,000,000 was somewhat more than half of the 1911 aggregate of $503,000,000, but fell short of the smallest American total since the war, which was $301,000,000 in 1919. The 1922 statistics of exports of capital from the United States exceeded corresponding figures for the record year in England by nearly $50,000,000.

B.A.N.C. Reported to Have Secured Capital

The British American Nickel Corporation is reported to have secured $1,500,000 new funds at Christiana, Norway. It is to be employed in resuming operations at the plant near Sudbury.

The B. A. N. C. is a war baby. It was started with the British government having an interest. Large lumber interests at Ottawa and the Bank of Commerce were the chief Canadian interests. Money was spent like water at the plant. Around Sudbury workmen tell of the careless abandon with which materials were used. Perhaps this explains why such a tremendous amount of capital was used up. There were court actions, and then E. N. Rhodes, former speaker of the House of Commons, accepted the presidency. The new capital report is the first that has been heard of it for a long time.

Canada Supplied 89% of U.S. Newsprint Imports

From Our Own Correspondent.

MONTREAL.—Final figures of United States newsprint imports during 1922 indicate the commanding position of Canada in supplying the requirements of American publishers. Total imports for the year were 1,029,266 tons of which Canada supplied 896,312 tons. European imports were 132,954 tons.

During 1921 total newsprint imports of the United States were 791,978 tons of which Canada supplied 656,204 tons and Europe 135,774 tons. The Canadian figures grew, while the European figures declined. The imports from Europe were larger than originally expected because of heavy shipments during the last three months. Conditions in the pulp and paper industry are very healthy. Some advance in prices of the higher grades of paper is expected soon.

Why Co-Operative Societies Hav Been a Failure in This Country

The article on the lack of success of co-operative ventures in Canada in THE FINANCIAL POST of March 9 has brought the following article from George Keen, general secretary of the Co-Operative Union of Canada. Mr. Keen interestingly discusses the situation from the co-operative standpoint. Appended will be found further comment by Professor Mavor dealing with Mr. Keen's contention.—Editor.

The article on the above subject published in THE FINANCIAL POST of March 9th, written by Dr. James Mavor, has been called to the present writer's attention. The learned professor is an outstanding authority on economics, and his views are entitled to great respect. Economics, however, is not an exact science. Its principles change with changes in social customs and the mental habits of men. A century ago, for example, economists stressed the importance of competition in trade and industry. They decried the value of the new co-operative idea. To-day the theory of co-operation and combination has taken its place, and in the business world real competition in industry, as to the selling price of many articles, has largely disappeared. A professor of economic science needs to be an authority on the moral and social philosophy of the co-operative movement to give scientific expression to co-operative economics. The writer has heard economic scientists, when standing before co-operative audiences, make interpretations of co-operative principles and philosophy which the veriest tyro among the co-operators present knew to be unsound and misleading. Some economists are inclined to look upon co-operation as exclusively an economic movement, and narrow and sectional in its scope. Unfortunately, the average member of the retail co-operative societies on this continent is obsessed with the same idea. If all members of such societies entertain that view the store inevitably fails. If even a considerable minority have a comprehensive knowledge of the moral and social philosophy of co-operation and are devoted thereto, they decline to recognize such a thing as failure. Mistakes, accruing from initial inexperience, may be made but, as in the old land, they are eventually overcome. Such intelligent co-operators seek to educate and convert the majority, who may be animated only by personal and selfish motives. If they achieve any substantial results in that direction permanent success is almost assured. The co-operative faith is as necessary to the permanency and continued success of a co-operative society as religious faith is to that of a church.

One statement made by Dr. Mavor suggests that he has not had occasion to make a thorough study of co-operation; distinguished as he is in the general field of economics. He states that "in Great Britain co-operation is very usual among the middle and upper classes," and quotes the Army and Navy and the Civil Service Stores as evidence. It is true that these organizations give certain preferences in discounts or prices to members at the time of purchase, but they divide their net profits exactly as any other capitalist corporation does; namely, in proportion to the share capital invested. As Holyoake, the co-operative historian, puts it:

"The managers are not known to care for co-operation as a system of equity and honesty, and are not under the supervision of directors elected by the purchasers, and charged with the duty of carrying out the principle of co-operation. Civil Service Stores, or Military Service Stores, and similar associations, are virtually private commercial societies bent upon realising the economy of combination without caring much about the morality of it."

The intrinsic, or rather the selling, value of a share in a genuine co-operative society, no matter how prosperous it may be, cannot exceed its face value. In "The Co-operative Movement in Great Britain" (1910), Miss Beatrice Potter (now Mrs. Sydney Webb), referring to the Civil Service Supply Association, while admitting that the original intention was to capitalize net profits, and sell as nearly as possible to cost price, states: "from 1882 and onwards, surplus profits were divided upon capital as in an ordinary joint stock company" until "a share in this society on which only 10s has been actually paid is now worth £125." That kind of thing is not co-operation. It appears more like an exaggerated form of capitalism; that is to say of the profiteering type. It is not surprising these organizations are not recognized by the co-operative movement as "co-operative." They fail to conform with the accepted definition.

Your contributor writes rather loosely on the lack of homogenity in our population. While it is true many races are represented in Canada, statistics recently published show that, by far, the greater number of our people, in the English-speaking provinces, are of British birth or descent. In the large majority of communities and trading centres the non-English-speaking citizen is negligible. The "pioneer spirit" of the individualist to which Professor Mavor attaches importance might have some incentive if there were now equality of opportunity on this continent in achieving success. In probably no civilized country are the rich getting richer and the poor becoming relatively poorer than here. No country consequently affords a greater opportunity for the "pioneer spirit" of the collectivist than does this continent. This opportunity is considerably increased by the fact that the protectionist fiscal policy here would enable co-operative consumers, organized for production, to effect large economies therein not possible in free-trade Britain.

The Co-operative Movement succeeds on this continent where the conditions making for success, exist, just as private business succeeds under similar circumstances. Co-operative stores usually commence business in the sale of groceries and provisions; a line in which there is the greatest competition, and one of the smallest margins of profit. Commercial statistics show that the majority of private grocers fail, but their failure does not attract the public attention which is always given to that of the co-operative store. The statistics for 1921 of the organized co-operative movement in Canada, the latest information available showed, notwithstanding the acute industrial depression, an aggregate net trading surplus of $154,712.88 on a share capital investment of $209,561.07, or a rate equal to a return of 73.8% on capital if the surplus had been so distributed. Of that total, however, $144,511.91 was returned to the consumers in proportion to their purchases.

The present writer has had fourteen years' experience of the operation of co-operative societies in Canada, and during that period it has been his duty to give many of them information and advice. The views of a practical co-operator on the causes of failure ought, therefore, to be of interest. While, in individual cases, there will be subordinate reasons peculiar to them, practical experience has taught that such failures as take place do so usually for one or more of the following reasons:

1. **Ignorance or Organisers.** Organisers of Canadian co-operative stores are usually moved there with the view only of effecting economies for their individual advantage in retail distribution, encouraged by the success of British co-operators. They fail to understand that the object of the British co-operator is to decapitalise industry and commerce, and, using the consumer as the unit of organisation, to co-operatise it with the view to greater equity in the economic relations of the people, and the provision of a social atmosphere making for a higher moral development of the human race. This vision, and strong attachment thereto, insure the unselfish service and sacrifice which produce the great economies the average member desires for his own enjoyment. When, however, a man seeks to practise principles he does not understand—which unfortunately is often the case as to co-operation on this continent—it is difficult to acquaint him of his ignorance, or to get him and his associates to avoid the occasions of failure.

2. **Inefficient Direction and Supervision.** Working-class co-operators on the management committees of the movement in Britain are excellent business men for the reason that when a novice is elected to office he joins a Board where his colleagues have already become efficient in the transaction of business, as the result of many years of experience. Being in the minority himself, his immature views do not find expression in the business policies adopted. In process of time he becomes equally efficient. In Canada all the directors are, at the same time, inexperienced, and as most of the societies operate in isolation, or if affiliated with the organized movement some have not been sufficiently interested to take full advantage of the service provided for their protection, they are prone to repeat the mistakes of their predecessors with the inevitable consequences. The organized movement is now seeking to cure this deficiency by calling every month for commercial data and advising thereon, and is giving its executive disciplinary authority in case of persistent failure to take advantage of the judgment and experience of the movement as a whole, and of that of the well established and successful societies ascertained through it.

3. **Negligible or Incapable Management.** Of British co-operative managers, Professor Alfred Marshall, believed by many to be the greatest living economist, in his "Economics of Industry," says: "Co-operative societies are served excellently by men of great genius both mentally and morally; men who for the sake of the co-operative faith that is in them have worked with great ability and energy and with perfect uprightness, being all the time content with lower pay than they could have got as business managers on their own account or for a private firm." That type of co-operative manager will be difficult to understand on this continent.

(Continued on Page 15)

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News and Views for Investors

CANADIAN WOOLLENS

Trade in woollens has been at a low ebb for some time past but there are definite indications that the business in this line has turned the corner. Canadian Woollens will benefit. The quietness in the woollen industry hit that company to some degree and its last annual report was not wholly satisfactory. Preferred dividends have not been paid for over two years.

HOLLINGER POWER

The rival claims of the Hollinger mines and the Abitibi paper company for a power site on the Abitibi river have been passed upon by the Drury government. The Hollinger is to get the power site at the Long Sault and is to be allowed to develop the maximum capacity of 25,000 h.p. instead of the 18,000 h.p. that the Abitibi wanted named as a limit. It is understood, however, that the Abitibi will be assured a site for development at Carrying Places farther down the river, should the necessity arise. The Hollinger will have to reserve 2,000 horse-power for the disposal of the government as well as permit the province to say what shall be done with the energy the company does not need for its own purpose.

DETROIT UNITED RAILWAY

Gross earnings of the D. U. R. for the first three months of the year show the company to be in an improved position. The total is $2,216,994, compared with $1,713,000 a year ago, or at the rate of almost $9,000,000 per annum. The first three months of the year are, however, the company's leanest as regards traffic receipts, so that at the rate of the first three months' returns the full year should be well over $10,000,000 in gross. Net profits for March were over $110,000 against a profit of only $612 in 1922. As the company showed over 10½ per cent. on its net earnings last year, with the first 3 months' operations showing a deficit of over $69,000, it is considered certain that during the following six months, when the company's receipts are in their largest volume, the results should be of a highly satisfactory character. Net earnings for the first three months of the year are over $278,000, against a deficit of $69,000 last year. Operating expenses are running at a rate slightly under 80 per cent. of gross receipts, compared with almost 90 per cent. in the previous year.

DOMINION CANNERS

Shareholders of the Dominion Canners are eagerly awaiting the details of the absorption under the name of Canadian Canners of the plants of Dominion Canners and 30 odd other canners. Dominion Canners, Limited, was incorporated February 11, 1910, and comprises fifty-nine canning and preserving factories throughout Ontario, Quebec and British Columbia. The various plants are strategically situated as to the supply of raw materials and in addition the company owns and operates fourteen farms besides machine shops, laboratories and a can factory. The company's balance sheet for the year 1922 showed a profit of $267,040, of which $27,498 was carried forward after paying bond interest and 7% on the preferred stock. Income available for the payment of bond interest in 1922 was well over three times interest requirements and for the six year period 1917 to 1922 the average annual income available was considerably in excess of six times the annual interest requirements. Net working capital as of December 30, 1922, amounted to $2,011,064 and fixed assets after allowing for depreciation were shown at $6,270,133. Outstanding against these assets are $1,320,000 of bonds.

CANADA STEAMSHIPS

Early reports of Canada Steamships indicate a healthy season's business both in passenger and freight. The company has been adopting an aggressive policy for seeking business. In addition to the offices which have been maintained in the United States for some time, trained men in soliciting freight and passenger service, have been recently placed in Pittsburg, Cincinnati and St. Louis. From Pittsburg a good deal of freight business is expected to develop in connection with the Century Coal Co. From the other offices, however, the expectation is to develop more passenger business, by the stimulation of parties to make trips to the Saguenay and down to the Gulf. Report from tourists agents in Canada and the United States, especially in the States, indicate that the boats for this year will be full. The very active business now taking place in the United States will help this tourist topic. This of course merely gives some indication of the gross revenue of the company and does not necessarily imply the improvement in better earnings, but at least it is one gratifying step. It is gratifying in this respect that the tourist trade means much for general business, as these visitors are always bound to be quite large purchasers of general commodities.

CONSOLIDATED SMELTERS

Again the speculators in Smelters are disappointed. They were sure that the dividend would be resumed and bought heavily. It was announced that disbursements would not be resumed for some time yet. The position of the company has been considerably strengthened. There is a heavy demand for its products and operations are driving ahead. The outlook is that the earnings of the company will steadily increase from now on.

ATLANTIC SUGAR

Atlantic Sugar's large turnover of $16,500,000 during 1922 was largely due to export trade. There was cut-throat competition almost the whole year through among the Canadian refiners and if the company had not had this profitable export trade would have suffered a serious operating loss during the year. Instead nearly a million dollars operating profit was earned. The sales of the company must be considered as remarkable for a concern that has been operating practically without working capital. If sugar prices had prevailed during the year at the level of two years ago sales would have been $60,000,000 in value instead of $16,500,000 on the same physical volume of turnover.

RIORDON

The Riordon stocks are arousing some interest in view of the coming plan of reorganization which is to be laid before shareholders and creditors. Talk is heard of the elimination of the common stock. This presumably refers to that of the new company, as the old common has behind it a definite equity in preferred stock of the new concern. There are those who consider the old common a better stock than the new proffer and take the position that if the matter goes to the courts it may be found that the exchange of old common into stocks of the new company was never ratified by the old shareholders at a meeting.

C. P. R.

Montreal is generally credited with being the leader of the two big Canadian stock exchanges. In light of this, it is interesting to note that while the C.P.R. has its head office in Montreal not a share of the stock has been traded in on the Montreal market since early in the year, believed to be in January. At the present time New York and Toronto exchanges are experiencing heavy trading in this issue. The price has moved up to 162, a new high for the year. The low was 143. In the last five days, 2,257 shares have changed hands in Toronto, not one in Montreal. The heavy buying of C.P.R. is believed to have started in New York due to the favorable position of the company, based on the report that the big certificate issue, due in 1924, is soon to be taken up by the company.

No Trouble Expected of Porcupine Miners

H. L. Gibson, Toronto broker, wires from Porcupine that there is little chance of anything serious developing out of the miners' demand for a wage increase. The 20 per cent. increase will not be conceded by the mines, is the opinion held locally. The real miners are satisfied with conditions. However, there is the usual bunch of agitators about.

Mr. Gibson wires that the two important developments are the find on Vipond and the deep work on the McIntyre, now down 2,500 feet. No. 7 vein on the 1875-ft. level is declared to be the finest ore body in the north.

The power situation will soon ease as the spring break-up is near.

Folly to Build Another Distribution System

From Our Own Correspondent.

ST. JOHN.—Tenders for line material for the new competitive power distribution system to be built by the city of St. John have been received but a deadlock has arisen in connection with the building of the system owing to the negative vote on bond issues by one of the five city commissioners, John Thornton. All votes on bond issues must be unanimous, hence the deadlock. Thornton says he is convinced care should be taken in handling the dispute between the city council and the New Brunswick Power Company, and it is folly to build another system in competition with that of the company.

MARKET STARTS ON ANOTHER UPWARD MOVE: IS IT LAST?

General Price Advance Marks Fairly Substantial Buying

C.P.R. AT NEW HIGH

Mining List Marks Time Waiting Solution of Power Troubles At Porcupine

Though the markets have been more or less quiet for some time, they are now showing some new activity, Montreal having just recorded the best day's trading of the whole year. There was a good buying power to the market and trading was well distributed throughout practically all the groups. The market seems to be more or less barren of any great amount of stock as evidenced by the numerous advances that are recorded in practically every issue where the demand was anywhere persistent.

It would seem that perhaps the resumption of the upward drive of the New York bull movement, believed to be near the jumping-off stage, may have had something to do with the buoyancy which hit the Montreal market. The Toronto list came in for fairly good trading in the general list, the feature being the changing hands of 1,008 shares of C. P. R. This issue rose to a new high of $162. At an average of $160, the transactions in this issue would involve the changing hands of $161,280. The mining shares make up a large portion of the daily trading of the Toronto Stock Exchange of late.

Practically the whole of the traction group has picked up steadily and with perhaps one exception, the whole group has registered an increase in market value. The paper group, as is to be expected, came in for considerable attention and also recorded advances. Most of the specialties were firm or slightly higher. The textile and steel groups stood steady with fair buying, while the milling list was more or less neglected.

Bank shares showed a slightly easier tendency with a small demand for these issues. The oils sold well and moved slightly upwards. The mining market has experienced a fair activity, but not near the volume of trading has been going through the mill as was the case a week or so ago. However, brokers declare that the settling of the power problem for Porcupine by the opening up of the rivers will start activity with new energy. In the meantime, they are marking time. The large gold issues have been more or less neglected. There is still a heavy trading in the silvers and prices are holding firm.

Bonds are in demand and the supply seems to be quite limited. Victory prices are standing steady.

As has been said, the feeling of the street is that the upward drive is near an end. The reasons advanced for this are given clearly by Hayden and Stone. It means that business conditions are near perfect. Then the market starts in to discount the breaking up of such a situation. Here is how they explain it:

"The past week has witnessed an unusual expression of optimistic opinion by several prominent men. We are frank to say that, from a cold-blooded market standpoint, whenever there is such unanimity of public opinion, we are apt to look at the situation with some misgivings, remembering the discounting nature of the market, and that whenever business conditions are perfect, or as nearly perfect as they ever get,—the next broad step for the market to anticipate is a breaking down of those conditions. In this instance, however, it must in fairness be said, that there are as yet none of the usual signs that mark the culmination of such a period, such as money strain, reckless individual and corporate buying, with a perpendicular rise in price. In short, practically none of the excesses that generally bring such a period to a close.

Substantial advance in prices there has been, but these are still well below the level of three years ago, and are not yet at a point where there is much sales resistance. Of money strain there is a conspicuous lack; on the other hand, business corporation earnings are still on the up-grade and many, we believe, are not yet appreciated, marketwise.

While it is always well to keep in mind that we are in a high level of market prices and, therefore, to exercise a reasonable degree of caution, we believe that the optimistic attitude is still the most profitable.

A Prosperous Period For the Wage Earner

The cost of living for the wage-earner's family showed a small decrease during the month of February, according to the National Industrial Conference Board. The cost of living has been rising since last August, when the index showed 154.5 compared with 100 in 1914. On the first of February this index was at 157.5. During February there was a decline of 0.4 per cent. In February, 1922, a year ago, the cost of living was at 157.7—almost the same as now. We all know that wages have been steadily advancing during the same year, and the percentage of purchasing power of the laborer has been thus very materially increased. The free spending of wages and wage surpluses has undoubtedly had much to do with the great business activity which is in progress at the present time, according to the Bache Review.

If the same conditions prevailed in the agricultural sections, which are estimated to represent 40 per cent. of the purchasing power of the nation, we would be having a full rounded prosperity, with no doubts prevailing anywhere as to its long continuance.

U. S. SPECIAL DELIVERY

Twenty Cents Additional on Mail Coming to Canada

Canadian business houses receiving mail by special delivery from the United States are finding it advisable to call attention to the fact that while the special delivery rate on domestic mail in the United States is ten cents additional it is twenty cents plus the regular postage for special delivery to points in Canada. In the event of a parcel being directed from the United States to any point in Canada and only ten cents being put on for special delivery the delivery will be made in accordance with instructions and an additional twenty cents then collected, a total of thirty cents, when twenty cents at the point of mailing would have been sufficient.

ANACONDA COPPER ENTERS B. C. FIELD: OPTIONS HOLDINGS

Outlook for Copper Sends Mammoth Concern Into Canada

From Our Own Correspondent.

VICTORIA. — Reports that the mammoth Anaconda Copper Company have entered the British Columbia mining field have now been confirmed, and it is understood here that not only has it secured an option on the Marble Bay property, Texada Island, but contemplates development of the Van Anda Copper Mining Company's mines nearby, including the Copper Queen, Cornell, Little Billy and Security groups.

The steadiness of the copper market, after a long period of post-war depression, is responsible for the entrance of the Anaconda Copper Company into a territory which in the past has been ignored by that corporation. It is stated that the company is now making a careful examination of the prospects in various other parts of the province and that it will go ahead with important development work if the prospects justify such a course.

The big producing companies of British Columbia are preparing for a period of greatly-increased output. H. S. Munro, general manager of the Granby Consolidated Mining, Smelting & Power Company, announces that work will commence immediately on the construction of a $600,000 concentrator, which will have a capacity of 1,500 tons a day. The concentrator will be operated in connection with the company's big smelter at Anyox, and by enabling the company to make use of large bodies of low-grade copper now being left untouched it will prove a valuable addition to the company's plant.

To Develop Platinum Bearing Sands of B.C.

From Our Own Correspondent.

VICTORIA.—Plans are now under way for fairly extensive development of the platinum-bearing black sands of British Columbia, which are said to exist in greater quantity in this province than anywhere else in the world.

S. J. Marsh, of Quesnel, who has devoted a life-time to the platinum problem and has taken out patents recently on a new extraction process, announces that he will establish a plant at Quesnel and also at Bonner's Ferry, Idaho, this year.

Mr. Marsh claims that the Fraser River and its tributaries comprise the most extensive undeveloped platinum region in the world, the field extending also into Idaho, Montana, and Northern Washington.

Mining Stock Quotations

Week Ending April 17

	High	Low	Close	Sales
Algonquin	7½	7	7½	3000
Apex	4¼	4	4¼	51500
Atlas	10½	8⅞	9¾	103000
Argonaut	71	66	69	44500
Beaver	48	44	45¾	54500
Chamber-Ferlands	4	——	——	500
Coniagas	3.00	2.95	2.95	400
Cons. Smelters	29	27	28¾	2889
Crown Reserve	71½	61	71½	94800
Davidson Ex. rights	6⅛	6	6⅛	6000
Dome Kirkland	3½	3¼	3¼	5000
Dome Mines	44.20	42.50	42.50	3267
Gifford	1⅛	⅞	1⅛	52000
Gold Reef	3¾	3½	3⅝	42000
Hattie	35¼	34	34½	30000
Hillcrest, pref.	90	89¾	90	60
Hollinger	13.40	13.15	13.20	6400
Hunton	12	11	11¼	19000
Inspiration	7	——	——	300
Keora	15¾	13	15¼	97500
Kirkland Lake	58½	55	58½	6000
La Rose	28	27	27½	13000
Lake Shore	3.42	3.36	3.38	7300
McKinley Darragh	21	20	20¾	22800
McIntyre	19.70	19.00	19.00	3960
Mining Corp.	3.15	2.97	3.00	7600
Moneta	23	22	22½	89500
Newray	38	36½	37½	63000
Nipissing	6.10	5.90	——	2265
Ophir	3¼	2¾	2¾	8800
Peterson Lake	12	——	——	1500
Porcupine Crown	18	15	18	12000
Porcupine Tisdale	3½	—	—	5000
Preston E. Dome	15½	14¾	14¾	72000
Silver Leaf	2⅞	2½	2½	8000
Teck Hughes	1.17	1.11	1.14	62000
Timiskaming	48¼	43	46	66500
Thompson Krist	6½	5	6½	55000
Trethewey	4	——	——	2500
Wasapika	8¼	7¼	7¼	71500
West Tree	10½	10	10⅛	61000
Baldwin	11¼	9⅞	11	51000
Buckingham	25	24	25	77000
Clifton	24½	22	22	50000
Col. Kirkland	17¼	14⅞	14¾	57500
Cons. West Dome	27½	26¾	27	49850
Goldale	49½	49	49	3100
Vickers	28¾	27	28½	47000
Vipond Con.	69	65½	66	21000
Wakenda	9¼	8	9¼	37000
W. Hargreaves	3.57	3.50	3.57	2150
Keeley	2.32	2.20	2.30	31500
Wettlaufer	16¼	12	12	26500
Lorrain	40½	33	33½	363500
Castle-Tret.	28¼	27	27½	14600
Boston Creek	7	——	——	100
Chaput Hughes	11	10	——	12500
Vac. Gas	2½	2	2½	1400

ATLANTIC SUGAR DEFICIT REDUCED $127,965 IN 1922

Company is Increasing Sales But Big Deficit is Only Slightly Cut

EXPORT BUSINESS

Markets Being Found in Many Countries for Canadian Sugar Products, Says President

From Our Own Correspondent.

MONTREAL.—After losses of over $8,000,000 in 1920-1921, losses that wiped out the company's surplus of over $3,000,000 and set up a debit balance of $5,188,000, Atlantic Sugar is back on the long pull to better times. The 1922 annual statement issued this week indicated an encouraging increase in sales that were made at a good operating profit. But after payment of necessary charges the net profit took only $127,965 off the company's deficit of $5,188,279 standing at the end of the last fiscal period.

The president, W. A. Hobbins, points out that during the past year "continued endeavors were made to evolve a plan for the readjustment of the company's financial position in respect to the deferred indebtedness to the raw sugar creditors, but no definite arrangement has yet been reached."

With total sales of $16,500,000 the company had operating profits in 1922 of $990,564 as compared with $1,145,935 in the 20 months ending December, 1921, when, however, losses on raw sugar purchases were nearly $8,000,000.

A substantial sum, $302,618, has been deducted for depreciation this year, but interest charges are greatly reduced, as the following table will indicate. The result is a net profit of $127,965 which is available for the reduction of the deficit. Operating profits and charges for three last fiscal periods are here compared:

	1922 12 mos.	1921 20 mos.	1920 12 mos.
Op. prof.	$ 990,564	$1,145,935	$1,594,888
Oth. prof.	......	......	1,208,021
Ttl. prof.	$ 990,564	$1,145,935	$2,802,910
Bond int.	59,910	111,133	81,450
Other int.	476,136	1,199,672	131,325
Deprec.	302,618	30,585	721,031
Bad debts	23,934	......	......
Contingent	......	......	1,199,012
Repairs	......	*167,111	......
Net prof.	$ 127,965	*$ 362,566	$ 670,090
Pref. divs.	......	808,696	262,500
Com. divs.	......	119,720	......
Balance	$ 127,965	*$1,290,982	$ 407,590
Prev. bal.	*5,188,279	1,106,362	698,771
Balance	*$5,060,314	*$ 184,619	$1,106,362

*Deficit.

The difference between the balance shown at the end of 1921 and that carried into the 1922 statement is accounted for by losses of over $8,000,000 that wiped out the reserve and created the debit balance of $5,188,279.

Inventories are Increased

The balance sheet of the company shows only a few changes, the postponement of the financial readjustment being plainly indicated. Total assets show an increase of about $900,000, the only important change in this side of the balance sheet, and representing larger inventories. These have grown from $567,398 to $1,490,174.

On the liabilities side, there are some differences. Bills and accounts payable have been reduced from $3,402,366 to $144,239 and a new item appears of loans, $3,725,000. The net result of these changes is not important for the previous year's items of bills payable included bank loans. The loan at the end of 1922 is shown as secured by inventories, by hypothecation of $3,000,000 of second mortgage bonds and other collateral. The accounts payable deferred, which includes the amounts due raw sugar creditors that are under adjustment, have increased by the amount of the accrued interest during the year.

Working Capital Better

In his report the president states:

"The profits for the year as shown above have improved the margin between current liabilities and current assets to the extent of $470,646.

"Following the policy inaugurated in the first year of operation and adhered to each succeeding year, the plant has been constantly kept in the highest state of efficiency. The cost of maintenance and repairs has each year been charged to operations. During this year the amount so charged was $97,109.15.

"Operations were carried on for 287 days. Raw sugar melted amounted to 309,154,071 pounds, and showed an increase of 70 per cent. over the previous twelve months.

"Figures published by the Dominion Bureau of Statistics show that in the year 1922. Canada as a whole consumed 809,942,816 pounds of sugar, an increase in consumption over 1921 of about 13 per cent. Your company enjoyed its share of this increase.

"The valuable connection made for export has continued to result in substantial business with indications of further continuation. It is interesting to note that the Canadian refiners, during the year exported 316,651,937 pounds of refined sugar to 29 countries as follows: United Kingdom, Bermuda, British Guiana, British Honduras, British West Indies, Barbados, Jamaica, Trinidad and Tobago, Newfoundland, Belgium, China, Finland, France, Alaska, French West Indies, St. Pierre and Miquelon, Germany, Italy, Japan, Netherlands, Dutch Guiana, Dutch West Indies, Norway, Portugal, Russia, Sweden, Switzerland, United States. In this business your company was a large participant."

PILKINGTONS TO RESUME

The plant of the Pilkington Glass Company at Thorold is to resume after being closed down for a couple of years.

A Good Long Term Bond Carrying a Bonus of Common Stock

The East Kootenay Power Company has many valuable contracts.

Revenues from these contracts are estimated to show a substantial amount earned upon common stock after payment of bond interest.

Price and particulars upon application

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Wanted—Junior

By Bond House

Good education essential. Reply Box No. 76, Financial Post.

The Current Issue of Gibson's Fortnightly Mining Review

contains information of interest concerning practically every Northern Ontario mining company whose shares are now most active in the mining market.

This information has been gathered *at the mines*, and is certain to be of interest to every holder or prospective purchaser of these shares.

If your name is not now on our mailing list, write for your copy today, and also our new maps of Porcupine and Kirkland Lake. Free for the asking.

HOMER L. GIBSON
AND COMPANY
Bank of Hamilton Bldg.
TORONTO

TWIN CITY

Our table shows an increase in Twin City Rapid Transit Property and Reserve accounts of $20,000,000, contrasted with an increase of $385,000 in Funded Debt, since 1910. Property and Reserve increased by 42.45 per cent. and Funded Debt increased by only 1.92 per cent.

Road & equip., 1922	$57,756,000	
Road & equip., 1910	46,016,000	
Increase		$11,740,000
Reserve, 1922	$10,908,738	
Reserve, 1910	2,185,766	
Increase		$ 8,722,972
Funded debt, 1922	$19,888,000	
Funded debt, 1910	19,503,000	
Increase		$ 385,000
Property and reserve increased		$20,402,972
Funded debt increased		385,000
Common stock, 1922	$22,000,000	
Common stock, 1910	20,100,000	
Increase		*$1,900,000

*This $1,900,000 new stock was subscribed at par ($100) in 1914. Between 1902 and 1914, $6,501,000 common stock was subscribed at $100 per share.

Write for Bulletins No. 43 & 45.

Dickinson & Walbank
Members Montreal Stock Exchange
152 St. James Street, Montreal
T. Kelly Dickinson, J. Y. K. Walbank,
W. McLea Walbank.

An Active Season in Alberta Lumber Trade

From Our Own Correspondent.

EDMONTON.—The lumber industry of northern Alberta is facing the spring and summer with excellent prospects and will likely outdo previous records, the two Edmonton mills alone being ready for a cut of some 30,000,000 feet. A good market demand is looked for, particularly from the prairies and the eastern States. It is likely that the bulk of the output will go to the New York market, which now seems to be open for all it can get of Alberta spruce.

THE UNWELCOME GUEST

A building contractor who delays a job beyond the contract date is like a guest who overstays his welcome—he is a source of annoyance and expense.

THOMPSON-STARRETT
Company, Limited
Building Construction

Paid Up Capital $2,500,000

Canadian Bank Note Company, Limited

Successor to
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BOX 75, FINANCIAL POST

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GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
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ASSOCIATED GOLD ASSETS ARE GIVEN AS $21,984,323

High Valuation of Fixed Assets Causes Some Questioning

MEETING NEXT WEEK

Shareholders Will Doubtless Clear Matter Up—Excellent Ore Being Opened At Larder

The financial report of Associated Goldfields has been issued and the annual meeting called for Thursday next. The meeting may prove a stirring event. Reports of wonderful ore discoveries have been coming out from the property. Shareholders who long ago despaired of getting some of their money back are now becoming more or less optimistic. There is a rumor about that the stock is to be put up to 75 cents.

Some shareholders declare that the report just issued is far from complete and on the face of it it does seem complicated and difficult of real analysis. The receipts and expenditures statement shows disbursements of $191,330 and receipts of $39,479, indicating a net loss for the year of $151,850. The report shows that on Oct., 1921, there was on hand $501,920 in cash and $112,710 in war bonds. The former total has decreased to $249,921 at the end of 1922 and the bonds increased to $212,858 or $100,148. This makes a total of $462,780 on hand at the end of the year as compared with $614,630 14 months ago. Three months' expenditures since the end of the year will have further reduced this balance.

The balance sheet is an interesting document. It shows a total of assets as $21,948,323.

Here are the main assets:

Mining Properties Raven and Wendigo Power Rights

Fixed—		
Timber, etc.		$20,988,398
Plant machinery		149,483
Horses, wagons, etc.		1,994
Office furniture & fixtures		1,968
		$21,141,844
Current—		
Cash	$ 249,921	
Bond interest	212,858	
Accounts	4,880	
Supplies	50,018	
		$ 517,679
Development and office expense	$ 302,609	
Wendigo Pr. Rights	22,392	
Office and miscel.	32,741	
		$ 357,743
Less—		
Interest on bank balance and investment	$ 52,215	
Power sales	16,729	68,944
		$ 288,799

The valuation of over $20,000,000 for mining properties, timber rights, power rights, Raven and Wendigo Falls, is open to doubt. Raven Falls is producing a small amount of power, about 1,700 h.p. The other is idle and will take a large expenditure before it comes to the producing point. The old mining properties on which the company spent a large amount of money are lying idle, to all intents abandoned, and must be considered worthless as a profitable mining venture. The new property on which operations are proceeding, about 80 acres, adjoins the Crown Reserve on the west. This is really the main asset of the company along with the power rights. This is the reason why mining people cast a doubt on the $20,000,000 property valuation. On this point the shareholders are bound to seek enlightenment when the meeting is held. The power earnings are small and can only be increased by the expenditure of a large sum of money. The capitalization of the company is $30,000,000 with two-thirds of the stock issued.

Other questions are being asked in regard the balance sheet relating to the inclusion of items of expenditure on development, office expense and power rights in the current assets when there are such items in the heavy fixed assets. There is considerable doubt, accountants say, as to such procedure. At the same time, items of expense under the same head appear in the receipt and expenditure column. Doubtless these points will all be cleared up, however.

Canadian Canners Name Of New Amalgamation

Canadian Canners, Ltd., will be the name of the new amalgamated concern arising out of the merging of some 30 small concerns with the Dominion Canners. The question of the amount of stock to be given shareholders has not been decided as the valuation of the properties is yet to be completed. It is still expected that certain canning factories at present holding off will come in, and the final list of concerns entering the amalgamation is not yet definitely announced.

The present scheme of amalgamation includes the factories of the Canadian Canners, Limited. No money or new financing will be required in the organization. The various independents are being valued and stock will be allotted accordingly.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Co. reports ore receipts at Trail Smelter for the first week of April amounting to 9,833 tons, 9,090 tons of which were produced by the company's mines and 743 tons by other mines. Receipts from January 1, to April 7, amount to 124,946 tons.

Blast furnace capacity of the United States Steel Corporation is now 18,800,000 tons annually, the same as it was a year ago. At time of organization, capacity was 7,440,000, so that the gain since 1901 is 153 per cent.

POSITION IS STRONG

Collingwood Shipbuilding Experienced Year of Exceptional Dullness

Although the Collingwood Shipbuilding Co. had to draw on surplus to pay dividends, the company is possibly in the strongest liquid position in its history after a year of exceptional dullness in the shipbuilding trade generally. Cash alone exceeds current liabilities, being $89,261 against $87,963.

Assets receivable total $474,275 and stores, etc., $322,783. Plant and equipment is placed at $4,402,588, and the total of assets stands at $5,206,373.

On the liability side, in addition to the current total given above, are reserves of $1,265,863, capital stock $2,600,000, and profit and loss credit of $558,443.

The profit and loss credit is down approximately $100,000 comparing with $657,158 the previous year. Dividends, however, amounting to $97,500 were paid and depreciation allowance of $251,405 made. The company is now working on one new vessel.

RAILWAY EARNINGS

Earnings of the Canadian National Railways for the week ending April 7, amounting to $4,560,557 showed an increase of $869,199 over the figures for the corresponding period in 1922. Gross earnings from January 1 to April 7, amounted to $57,553,310, or an increase of $4,899,649.

The Canadian Pacific Railway reports earnings for the second week of April amounting to $3,120,000, an increase of $401,000.

CONSUMERS GAS SALE SHOWS MONEY FREE

This is Conclusion From Purchase of Issue by Canada Permanent

The purchase by the Canada Permanent Mortgage Co. of the 1,389 share block of the Consumers' Gas stock is taken as an indication that mortgage funds are fairly free at present. The price paid was about $154.60 a share.

Consumers' Gas by its perpetual franchise, can always earn ten per cent. on its stock. The securities are readily marketed and are thus looked upon as a good investment for a company such as the Canada Permanent with a surplus of funds on hand. It will take little effort to market the stock, if the mortgage demand becomes such that the company will be able to see an even better return than the stock will give. Mortgage funds are said to be easy with no change in the interest rate, however.

The bidding was close, the second high being F. H. Deacon and Co., $154. A. Jarvis and Co. was 152 and the lowest $146½.

In 1917 the company made a similar sale at $150 and in 1921 got a premium of 18.66 per cent.

DULUTH-SUPERIOR

Passenger earnings for the first week of April, reported by the Duluth-Superior Traction Company, amounted to $39,564 as compared with $33,567 for the corresponding period in 1922, an increase of $5,996 or 18 per cent.

STOCK MOVEMENTS OF THE WEEK

Week Ending April 17

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	198¼	198	199	198	198	125
Dominion	12	199½	198	199½	199	199	83
Hamilton	12	168¼	168	168¼	167	168¼	164
Hochelaga	10	149	—	149	148½	149	26
Imperial	12	189	187	190	185	187	61
Molsons	12	176	—	175½	175½	175½	8
Montreal	12	—	237	239	236¾	237	248
Nationale	6	100	—	100	100	100	19
Nova Scotia	16	264	—	263	263	263	44
Royal	12	—	216	216½	216	216	83
Standard	14	—	209	212¼	209	209	45
Toronto	12	191	190	192	191	191	73
Union	10	136½	136	136	136	136	473
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper, com.	4	68½	67¾	69	68	68	1617
Do., pref.	7	—	99	100	100	100	195
American Salesbook, com.	—	—	35⅛	35½	35	35¼	117
Do., pref.	7	92½	91	93	92⅞	93	51
Asbestos Corporation, com.	6	68¼	68	69	68	69	278
Do., pref.	7	89½	89	89½	89	89	225
Atlantic Sugar, com.	—	24	—	24	23½	23½	130
Do., pref.	—	—	43	47	47	47	5
Barcelona Traction	—	19	18⅝	19	17½	18½	1515
Bell Telephone	8	121	120¾	121	119½	121	842
Brazilian Traction, com.	4	51¾	51½	52	49½	51½	6065
B. C. Fishing	—	17	—	17	17	17	95
British Empire Steel, com.	—	8	—	8¼	8	8	105
Do., 1st pref.	7	69	68	69¾	68	68	225
Do., 2nd pref.	—	22½	22¼	22¾	22	22½	1272
Brompton Pulp, com.	—	43¾	43¼	43½	42¾	43½	3487
Burt, F. N., com.	10	140	138	140	137	140	50
Bird & Son, pref.	7	95	94	94	94	94	80
Canada Bread, com.	—	62	61	60	58	59	307
Do., pref.	7	95	94¼	95	94½	95	46
Canada Car & Foundry, com.	—	32¼	31⅛	32	30¼	32	105
Do., pref.	—	75	73½	75	74	74½	75
Canada Cement, com.	6	84	83¼	84	83¼	83⅝	529
Do., pref.	7	—	103	104	103	103½	136
Canada Steamships, com.	—	18	17½	18¼	17½	17¾	270
Do., pref.	—	52¾	52¼	55½	51¼	52¼	2753
Canadian Converters	7	103	100½	103	101	101¾	419
Canadian Cottons, com.	8	132	130	134	130	131	226
Do., pref.	6	—	89	90	90	90	9
Canadian Woollens, com.	—	18	—	17¾	17¾	17¾	10
Do., pref.	—	60	—	60	60	60	5
Can. General Electric, com.	6	92	91½	92	91	92	759
Do., pref.	7	—	103	104	104	104	4
Canadian Locomotive, com.	4	74	—	74	73	73	60
Do., pref.	7	96	95½	96½	95½	95½	53
Canadian Pacific Railway	10	157¾	157	157½	151½	157	1249
Canadian Salt	8	—	111	112	110	112	26
Cuban Can. Sugar, com.	—	11	10⅞	11¾	10¾	10¾	535
Do., pref.	—	43	—	43	42	43	120
City Dairy, com.	10	142	138	138	137	138	14
Do., pref.	7	102	—	104	101	101	6
Consumers Gas	10	—	157½	157¾	153	157¾	578
Detroit United Railway	6	78	77⅞	78½	77½	78	439
Dominion Bridge	4	78	74	75	73½	75	61
Dominion Canners, com.	—	37	36	37½	36¼	37	322
Do., pref.	7	88	87	88½	85	88	180
Dominion Glass, com.	7	102½	101¾	103¾	101½	102½	1246
Dominion Telegraph	6	—	44⅞	45	44½	45	82
Dominion Textile, com.	12	70½	70	70¾	70¼	70¾	760
Do., pref.	7	109¼	109	109¼	109	109	75
Dominion Coal, pref.	—	—	82½	85	85	85	5
Dominion Iron, pref.	7	—	75½	75¼	75	75	16
Dominion Steel Corporation, pref.	6	80¼	—	81	81	81	105
Duluth Superior	—	38	37¾	38	36½	38	590
Goodyear Tire, pref.	7	93½	92	93½	92	92	86
Howard Smith Paper, com.	6	81	80½	81	80½	80½	70
Do., pref.	8	105	104½	105	104½	104½	92
Illinois Traction, com.	—	46½	46	47	45	47	1050
Do., pref.	6	83	82½	84	80	84	355
Lake of Woods Milling, com.	12	176⅜	176	180	175¼	175¼	36
Laurentide Paper	6	93	92¾	94	91½	93½	1556
Lyall Construction	—	41¾	41½	42	41½	41½	27
MacDonald, A., com.	—	10	8	8	8	8	15
Mackay, com.	7	115	114	115	114	114½	221
Do., pref.	4	69	68	68½	68	68	73
Maple Leaf Milling, pref.	7	100¾	100	101	100	100½	132
Montreal Cotton, com.	6	—	111	114½	110	113	354
Do., pref.	7	109	—	109	109	109	30
Montreal Light, Heat, Cons.	6	115¼	115	115½	113½	115½	1411
Montreal Telegraph	8	—	50½	51	51	51	32
Montreal Trams	10	149	—	149	146½	149	12
National Breweries, com.	4	51⅜	51¼	51½	51	51	475
Do., pref.	7	—	91	92	92	92	25
Ogilvie Flour, com.	12	322	—	322	320	320	55
Do., pref.	7	—	119⅜	119½	119½	119½	45
Ontario Steel Products, com.	—	—	45	46	46	46	25
Ottawa L. H. & Power	6	86	—	86	85½	85½	47
Pacific Burt, com.	6	—	100	100½	100	100	75
Do., pref.	7	108	106¾	106¾	106¾	106¾	30
Penmans, com.	8	160	155	162	150	162	1098
Price Brothers	2	45	44½	44¾	44½	44¾	190
Porto Rico Railways, com.	—	28	27	27	27	27	16
Provincial Paper, com.	6	92	—	92	92	92	10
Do., pref.	7	—	96½	98	97	98	67
Quebec Railway	—	23¼	22½	23	20¾	23	1470
Riordon Pulp, com.	—	6	4	6½	4	4¼	4405
Do., pref.	—	—	7⅝	9⅞	6⅝	8¼	2027
Rogers, William, pref.	7	94	—	94	94	94	3
Port Hope Sanitary, com.	—	50	45	48	45	48	70
Do., pref.	7	90½	—	92½	90½	90½	13
Sawyer Massey, pref.	—	25	18½	19	18	18	35
Shawinigan	7	117	116½	117	116	116½	248
Sherwin Williams, com.	6	112	104	110	110	110	55
Spanish River Pulp, com.	7	95	93	94⅞	93¼	94½	366
Do., pref.	7	104	102	103½	102	102⅛	711
Steel of Canada, com.	7	76½	75½	76¼	75½	76	699
Do., pref.	7	101	—	101½	100¾	101	144
St. Lawrence Flour, com.	6	75½	—	76½	75	75	85
Do., pref.	7	94	92	93	93	93	100
St. Maurice Paper	5	95	94	97	94	97	620
Toronto Railway	—	83¾	83¼	85	82	83½	456
Tuckett Tobacco, com.	4	56	52	54	52	54	525
Do., pref.	7	96	—	95¾	95	95½	92
Twin City, com.	—	67	66½	68	66½	66¾	932
Wabasso Cotton	4	—	76½	78	78	78	110
Western Canada Flour	8	110	105	106	106	106	10
Winnipeg Electric, com.	—	38	37¼	37⅞	36⅝	37¼	222
Do., pref.	7	—	86	86½	84½	86¼	148
Woods Mfg., com.	8	76½	—	77	76	77	30
Do., pref.	7	82½	—	82	82	82	10
Can. Landed	10	—	80	81	81	81	18
Can. Permanent	12	189	—	190	189	189	7

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OCEAN STEAMERS OF "STEAMSHIPS" RUN AT BIG LOSS

But Prospects for 1923 Are Much Improved, President States

NO DIVIDENDS YET

Need for Cash for Many Items Will Make it Impossible to Distribute Anything This Year

From Our Own Correspondent.

MONTREAL.—Evidently 1923 is going to be a better year for Canada Steamships than 1922 proved to be. There are prospects that both freight and passenger traffic on the Great Lakes steamers will show an increase and the ocean going vessels, which have been running at a loss may show some improvement as well. At the annual meeting of the company this week the president, W. H. Coverdale, pointed out that during 1922 strikes in mining, in transportation and other businesses had interfered with operations; the prospects for 1923 on the other hand, were excellent. Passenger bookings are already in advance of the previous year and a string of new offices has been opened in United States cities to get business for the lines.

"As to freight," he said, "we are gradually improving our general cargo business, and have been successful in closing many large contracts for west-bound tonnage in connection with our ocean service. Ocean rates are still very low, but when the upward trend comes we will be in a position to benefit therefrom."

No Preferred Dividends

The president definitely discounted any possibility of a resumption of preferred stock dividends during the present year. On this point he said:

"As the expenditures made during 1922 on the Richelieu, Century Coal Company, and bond retirements, although large, do not represent the Company's total commitments, and as we must find during the year 1923 an additional sum of about $500,000 to complete the Richelieu and the Century Coal Company purchase, and as the sinking fund will require another $300,000 for retirement of additional bonds, and as we have miscellaneous requirements of at least $100,000 it will be apparent to you that we must devote $1,000,000 out of the net earnings of the current year to the above purposes before we can hope to arrive at a credit position, which would warrant the directors' consideration of the resumption of the preferred stock dividends."

Lost on Ocean Shipping

All the upper lake steamers and all the lower lake and canal steamers, the package freighters and all the fresh water passenger steamers had operated at a profit in 1922. This profit totalled $3,744,090. The gulf and coastwise boats, however, lost $151,184 and the ocean steamers $258,769. Substantial progress is being made towards the elimination of this item of loss and the operations of these unprofitable lines will be continued until a more favorable opportunity presents itself for making a final disposition of the matter. In other words, the company intends to give its ocean going lines a chance to work themselves out before finally deciding to give them up as permanently unprofitable.

Changes were made in the London advisory committee, three temporary directors being replaced with the following gentlemen: Sir Walter R. Lawrence, Bart., Sir Reginald MacLeod and R. B. Philpotts.

Profits of Dominion Linens Were Lower

Dominion Linens, Limited, in its financial statement for the fiscal year 1922, shows net profits before providing for depreciation, etc., of $37,768, as compared with $56,820 for the previous year. Out of profits a sum of $3,310 was applied as a reserve for depreciation of buildings, $22,768 for depreciation of plant and machinery, as against $19,999 appropriated a year ago, and $2,000 on account of doubtful debts. The net profit stood at $9,689 as compared with $22,152. To net was added the balance of credit at December 31, 1921, of $26,399, and $20,000, being a reserve against decline in inventory values reversed. The usual dividend on preferred was distributed, amounting to $24,500, and a further reserve of $4,000 was set aside for Federal taxes. The balance at credit at the close of the year amounted to $27,588.

Gross assets are higher at $1,041,755, as compared with $993,912. Accounts and bills receivable are down from $65,295 to $31,911. Inventories are higher at $412,619 as against $326,878. Bank and other loans are up from $95,894 to $114,743. Accounts payable at $26,983 compare with $14,438. Balance owing subsidiary company stands at $68,637, as compared with $54,844. Reserves total $242,194.

The past year has been one of keen competition, with imports playing an active part.

RADIO AND THE TICKER

No member of the New York Stock Exchange or registered firm shall make use of radio or wireless for transmitting or broadcasting market information, forecasts or any other matter intended to advertise members or firms, or to stimulate interest in securities, according to a resolution adopted by governors. Provision is made that members may supply quotations to broadcasting stations approved by Committee on Quotations and Commissions.

Cape Breton Electric Just Earned Charges

From Our Own Correspondent.

MONTREAL.—Cape Breton Electric, which operates electric railway and lighting in North Sydney under the management of the Stone and Webster interests of Boston had not as satisfactory a year in 1922 as formerly. Revenues decreased to $626,238 and expenses increased to $520,506 before taxes. After fixed charges profits were $6,358. Dividends were paid, and left a net deficit of $12,481.

RAILWAY LINE TO KIRKLAND LAKE AND LARDER MINE CAMPS

Important Statement of Development in North Country Made

Geo. W. Lee, chairman T. and N. O. Railway Commission announces that a branch railway through the Kirkland Goldfield to the Crown Reserve mine will be started at once. Tenders will be called within a couple of weeks, and trains will be operating throughout the 25-mile length by Christmas, with the first ten miles in operation by September. Engineers have commenced preliminary work. The spur will start at Swastika and come into the town of Kirkland Lake at the Wright-Hargreaves mine. It will run through Lebel Township at about the Bigwood Mine and cross Gauthier Township about three miles south of Argonaut Mine. The line will run through the Crown Reserve property and have a temporary terminus two miles further east, on the shore of Larder Lake, from which a great area of mining country to the south-east and north can be tapped by boats. Purely a mining railway, this Kirkland branch is the first mining line built in Ontario since the Porcupine branch twelve years ago. The decision to build is hailed in the North as an acknowledgment that the Kirkland gold belt, which will be traversed for 25 miles, has become an important feature in the economic life of the province. "For some time," said T. and N. O.'s mining engineer, A. A. Cole, "we have been convinced that Crown Reserve had a big mine at Larder Lake. This conviction, coupled with great developments under way along the whole gold belt, determined the decision to give the field railway transportation. Hundreds of thousands of dollars a year will be saved to mine operators on transportation charges, and a wonderful impetus will be given mine development throughout the whole field. The branch will also tap rich new gold fields discovered last fall in Quebec. In Ontario area traversed by the new railway over fifteen million dollars has been spent already by private capital, four producing mines developed and over a score are not far from producing stage. The spur is estimated to cost $35,000 a mile." It is for this reason that the railway will be built under the charter of the Nipissing Central, as announced in the House by Premier Drury. The N. C. R. is an electric railway operating from Cobalt to New Liskeard.

MENNONITES GLAD TO RETURN FROM MEXICO

Soon Find Out That They Are Much Better Off in Western Canada

From Our Own Correspondent.

REGINA.—While a special train of twenty-one cars of effects and three passenger coaches, containing thirty families of Mennonites, crossed the International boundary, bound for Mexico, five families of Mennonites re-entered Canada after spending some months in the land of tortillas and tarantulas, an experience which they did not relish.

The exodus of Mennonites from Saskatchewan has been greatly exaggerated as to motive. There is only one real reason why this class of settler is on the trek—they object to the Canadian system of education and to Canadian laws.

Among the returning Mennonites are the George Moellers, husband and wife with nine children. They were induced, they said, to leave Canada in November last by the glowing eloquence of a real-estate agent from the United States. They found the agent's description of Mexican lands picturesque but scarcely accurate. So short was their stay that the $8 head tax, paid upon their entry into the new country, was returned to them.

The Moellers settled at Ponas, Durango province, Mexico, and they might almost be termed "knockers" of that district. They are particularly anxious that their friends should know that for Mennonites Mexico is not a good place.

Most of the Mennonites who went to Mexico want to come back. The reason many are hanging on is because they have exchanged good Saskatchewan farms for worthless sand areas. They are trying to get a bit of money out of their unfortunate investments before pulling up stakes. All of them rail at the astute real-estate agents who were their undoing.

New Power Lines Have Now Reached Porcupine

The transmission lines of the Great Northern Power Company have reached Timmins. The work is now being carried through the town of Timmins to connect up with the Porcupine Davidson, the Night Hawk, Peninsular and other properties in the camp, and it is anticipated that by the middle of the current month electric power will be turned on at the Davidson. This will be the signal for the sinking of the new three-compartment shaft on that property.

The Ontario government is building a good road along the right-of-way of the Great Northern Power Company, and in a short time motor cars will be able to travel from Cobalt to Timmins. Such a road will mean a good deal to the mining camps through which it passes.

Vessels to be Sold Limited in Usage

From Our Own Correspondent.

OTTAWA. — The announcement that 27 of the smaller vessels of the Canadian Mercantile Marine are to be sold is in line with the decision arrived at some time ago, the carrying of which into effect awaited a more favorable opportunity. The vessels are of the smaller type, fit more for coastwise trade and yet not structurally fitted for passage through the canals.

The fleet, though kept pretty well in operation last year, did not pay its way, which was sure to give rise to much dissatisfaction, especially as the deficits on the National Railways continue so high. The Marine has lost support in parliament through the fact that its vessels are not adapted for certain kinds of Canadian trade that are seeking relief. The farmers, for example, were somewhat annoyed when it was recently found that these vessels were built so that they could not be altered satisfactorily for the carrying of cattle.

The sale of this tonnage should lighten the government burden for it will, at least, reduce operating losses. The remainder of the fleet will undoubtedly be operated as long as the National Railways consider it advisable.

ALGOMA STEEL PAYS COUPONS

Bondholders of Algoma Steel who were a little doubtful about their April coupons were gratified when payment of these was met in proper course. The bonds, which sold at the low of about 29 during January, are now selling at around 49, the improved conditions in the steel industry being the chief reason, together with rumors that new interests might come into the Lake Superior Corporation. The activities of the Ontario Government in the investigation of the iron ore industry may lead to developments that will benefit this company, especially if they result in an increase of traffic on the Algoma Central Railroad, sister company of the Algoma Steel and subsidiary of the Lake Superior Corporation.

Bridge River Power Co., Seton, B.C., are having plans prepared for a $12,000,000 power development, including gravity dam, power house and transmission lines.

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QUEBEC RAILWAY FINANCING PLANS STILL UNSETTLED

Offer of Funds From Messrs. Dickinson and Walbank

SHORT TERM NOTES?

Negotiations Still Looking to Meeting Impending Maturities by Borrowing for Three Years

From Our Own Correspondent.

MONTREAL.—The cloud of uncertainty still rests on the Quebec Railway situation. With less than a month and a half before the time when maturing bonds to the amount of $2,500,000 of the Montmorency subsidiary must be met, there is no news of the plans of the directorate for financing the company.

The opposition of the strong group of shareholders, headed by T. Kelly Dickinson to President E. A. Robert's plans for "dismemberment" of the corporation has taken the tangible form of a request for proxies to oppose the division of properties and an offer from Mr. Dickinson and his associate, J. Y. K. Walbank, to finance the impending maturities.

May Yet Finance Short Term.

In the meantime negotiations looking to temporary financing by the issuance of three year 7 per cent. notes have not been dropped, as has been suggested but are going forward, though final settlement on this basis is still indefinite. An offer to provide the necessary funds has also been before the management from American interests. But the U. S. firm wants first mortgage bonds and to clear the way for these would mean the redemption at a high price of numerous issues. It is considered an expensive method of dealing with the matter.

The letter of Messrs. Dickinson and Walbank to the shareholders said in part:

"We cannot pretend to understand the motives, or the necessity, or the logic behind the plan of reorganization and proposed increase of capital stock, and it is to be regretted that the pessimistic and dislocated utterances of the president at the annual meeting have not bettered the outlook or improved investment sentiment.

"Mr. Robert, the president, admitted to the Quebec Legislature and to the shareholders, his impotency to carry on, i.e., to finance, under the company's present status, notwithstanding the unusual supply of funds in Canada and the United States available for the purposes of public utilities. His picture shows the company as a pitiful corporate body, with organic complications, to be saved by resort to the operating table, and an injection of $5,000,000 additional common stock. Frankly, we do not share his pessimism, and we most decidedly oppose dismemberment.

President Should Resign

"It would seem, therefore, that the president's admission of despair should be followed by formal resignation, rather than by an attempt temporarily to patch up the company's affairs through such casual financing as the proposed 7 per cent., three-year notes, which would give us three more years of anxious waiting for such permanent financing as is urgently required for progressive and constructive development.

"It is extremely discouraging to those of us who have been kindly disposed toward the company and towards the present regime, and this is only aggravated by the scant explanation of the president. given under compusion when it should have been voluntary. It surely is not unreasonable to expect that shareholders, at an annual meeting, be taken fully into the confidence of the board especially at a time immediately preceding an attempt to sell the assets and break up the corporate entity of the company.

"As representing a considerable block of stock, the writers intend to vote against the ratification of the reorganization plans, and, if it is the desire of the shareholders, we will undertake to arrange for the provision of funds sufficient for the redemption of the $2,500,000 bonds due on June 1st, with the working capital necessary for the proper conduct of the company's operations on sound business lines."

It closed with this pungent statement:

"We have unwavering confidence in the inherent possibilities of the Quebec Railway, Light, Heat & Power Company, Limited, but no confidence whatsoever under such plans as Mr. Robert has so arbitrarily endeavored to carry out."

The group that has offered to provide short term funds to meet the maturities supports the plans of Mr. Robert to divide the company into its constituent parts—the gas and tramways service and the power and light service. The two or three years' extra time that would be given to Mr. Robert to work out his plans would, they say, put the company in a position to borrow eventually at a low rate and solve its financial difficulties without paying excessive charges.

INVESTMENTS IN STEEL

Over Fifty Per Cent. of Capital is Canadian

Dominion Bureau of Statistics gives as of December 31st, 1920, total of issued securities, except unregistered bonds, of incorporated companies, partnerships and individually-owned concerns in iron and steel group as $352,430,814. Of this $149,549,320, or 42.42%, was held by residents of the United States; $182,796,606, or 51.85%, by Canadians; $17,655,219, or 5.08%, by residents of Great Britain, and $2,429,669, or .65%, by all others.

SINKING ON LAKE SHORE

An electrically driven hoist has been installed at Lake Shore and three compartment shaft is now being continued to 800 feet.

Clip Wings of Doc. Cook, Promoter of Wild Cat Oil Propositions

Dr. Frederick Cook, the gentleman who didn't find the North Pole, and erstwhile promoter of sundry Texas oil ventures, is having the screws tightened on his activities by the U. S. He is charged with using the mails to defraud. Cook's latest is the Petroleum Products. It is the fourth he has promoted and his arrest is the culmination of a checkered career in adventure and high finance.

The self-styled discover of the North Pole has successively headed the Texas Eagle Producing and Refining company, the Texas Eagle Oil and Refining company, and the Texas Eagle Oil company. The evolution of these three Eagles was marked by increases in capitalization from $300,000 to $2,500,000 and later to $5,000,000.

Each enterprise failed in its turn and is now defunct. When he launched the Petroleum Producers' association, "Doc" Cook announced the capitalization would always be the amount of stock outstanding. Including the subsidiary oil companies it has taken over that capitalization is said to be approximately $35,000,000.

Cook's arrest climaxed a month of hectic experience with law enforcement officers.

Recently the former explorer was arrested in a local hotel and accused in federal court of illegally possessing liquor. The following day his wife sued for divorce, charging a young woman was accompanying Cook at the time of his arrest. The decree was granted.

About this time associates of Cook in his oil enterprises rose to his defense and issued various statements in his behalf. In one of these they proclaimed anew that Cook actually discovered the North Pole.

Not a few Canadians donated their hard-earned cash to the cause of Doctor Cook. The above tells what happened to it. It is typical of most of the Texas oil concerns that sold stock in Canada. Once again Canadians are advised that they would do better to speculate in Canadian mines, where their funds are subject to laws they understand and can invoke if necessary, besides helping develop the national wealth of the country.

A TWENTY YEAR OLD CHARTER IS COMING TO LIFE

A Great Deal of Interest Caused in Manitoba Legislature

From Our Own Correspondent.

WINNIPEG.—The Manitoba Water Power Electrical Company, shaking off the dust of twenty years from its charter, has become the mystery object of Manitoba's legislature. The company, having taken no step to exercise powers conferred upon it nearly a quarter of a century ago, has quickened to life like some Rip Van Winkle, and provincial legislators are disposed to ask what it is all about.

Mayor Farmer, of Winnipeg, in his dual capacity as M. L. A., is apparently one of the most suspicious, and has announced his intention of demanding a show down before he will consent to a revival of the company's charter. "There is very often concealed dynamite in sleeping charters," hints the Winnipeg Tribune, adding, "and there is more than a suspicion that some of it may lurk in the provision of the bill fathered by the Manitoba Water Power Electrical Company.

"No one could wish to impede the company in any constructive enterprise it may be willing to undertake," declares the Winnipeg Tribune, in taking the ground, however, that a great deal more should be known of the Manitoba Water Power Electrical Company concerning its personnel, its objects and the reason for its sudden awakening before its bill gets any further in the legislature. "Present conditions call for the encouragement of sound business projects; if the Manitoba Water Power Electrical Company can qualify, no obstacle should be thrown in its way."

The twenty-year-old charter of this dormant enterprise provides a somewhat gigantic program. The company's original undertaking to build a railway from the United States border to the Hudson Bay is a large order in the light of the developments of more recent years. The company has had for some twenty years the right to build this road. It has made no move in the direction of definite developments, furthermore it has not taken the trouble to make the necessary legal returns to the government, which would have kept its charter alive.

The company was granted a charter in 1901. Through the long period of aggressive development in Western Canada and more or less easy financing it remained asleep. The Dominion government, with a nation's resources behind it, embarked upon the nucleus of the Hudson Bay Railway and then came to a point where it hesitated—and is apparently still hesitating—to incur the risk of completing the road. "A small work," in the opinion of the Winnipeg Tribune, "compared with that of building a railway all the way from the international boundary to Fort Churchill.

"The West wants the Hudson Bay Railway, and wants it badly and will insist on getting it, but the West will continue to think of one Hudson Bay Railway before it begins to think seriously of a second."

It appears there was a clause in the charter of twenty years ago which provides that the Manitoba Water Power Electrical Company may in its construction program lay necessary lines through any town or municipality on its route to the Hudson Bay. Mayor Farmer is disposed to object to this in relation to the city of Winnipeg. There are those who see in this clause of the company's charter a loophole for gaining street railway rights in Winnipeg. Then, too, there is a very outspoken feeling against the idea of allowing this or any other company to sleep on a charter which may have been granted with no other basis than the future's speculative interest or a design to accomplish an incidental purpose actually foreign to the general powers asked for. "To revive that charter without positive proofs and guarantees of the company's ability to proceed immediately with construction work could not be defended on any public ground," comments the Tribune, which finds substantial support in the legislature.

In the meantime, Manitoba's M. L. A.'s are sitting back waiting for promised information as to the sponsors of the Manitoba Water Power Electrical Company.

SINKING ON SYLVANITE

Sinking operations have been resumed below 520 foot level on the Sylvanite at Kirkland Lake. It is planned to sink to 800 feet.

LARGE BRIDGE CONTRACTS

Dominion Bridge Co., Lachine, and the Canadian Bridge Co., Montreal, have each been awarded steel contracts for bridges to be rebuilt in Lachute Subdivision, Que., at a cost of $350,000 by the Canadian Pacific Railway.

NO DIVIDEND SOON ON "SMELTERS" STOCK

Conditions Have Further Improved, President Tells Shareholders

From Our Own Correspondent.

MONTREAL.—Still further improvement in operations of Consolidated Mining and Smelting Company has been developing since the end of 1922, President J. J. Warren was able to tell the shareholders this week. He would not hold out any hopes of a dividend payment, although his optimistic statement at the annual meeting a year ago on this score got him in trouble this week when one of the shareholders reminded him of it and asked why the dividends had not been paid.

As reported in THE FINANCIAL POST last year, Mr. Warren said at the annual meeting:

"If this funding operation is carried through and the present satisfactory operating and market conditions continue during the year the directors will favor a dividend payment in respect of the last half of the calendar year."

This week it was explained by the president that financial friends of the corporation had advised against any dividend payments at the present time. The company had always been short of working capital and it was not proposed to allow the situation to continue. The shareholders, said Mr. Warren, could not complain of the treatment that had been meted out to them. Despite the absence of dividends in 1921 and 1922 the average paid to them over the past ten years was 6.95 per cent. per annum.

Approval was given to the plans to guarantee $2,000,000 of bonds of the West Kootenay Power and Light Company, all the stock of which is owned by Smelters. The power company is running to capacity and more power is needed at the smelters and mines. It is proposed to develop another 20,000 h. p. During the past year lines had been extended into the Okanagan Valley and the company now provides light for Oliver, Penticton, Kelowna, and other places. Money for these extensions has been supplied by banks and the new loan will fund the advances and also provide money for a new transmission line to the smelters. In all between $1,750,000 and $2,000,000 is being spent.

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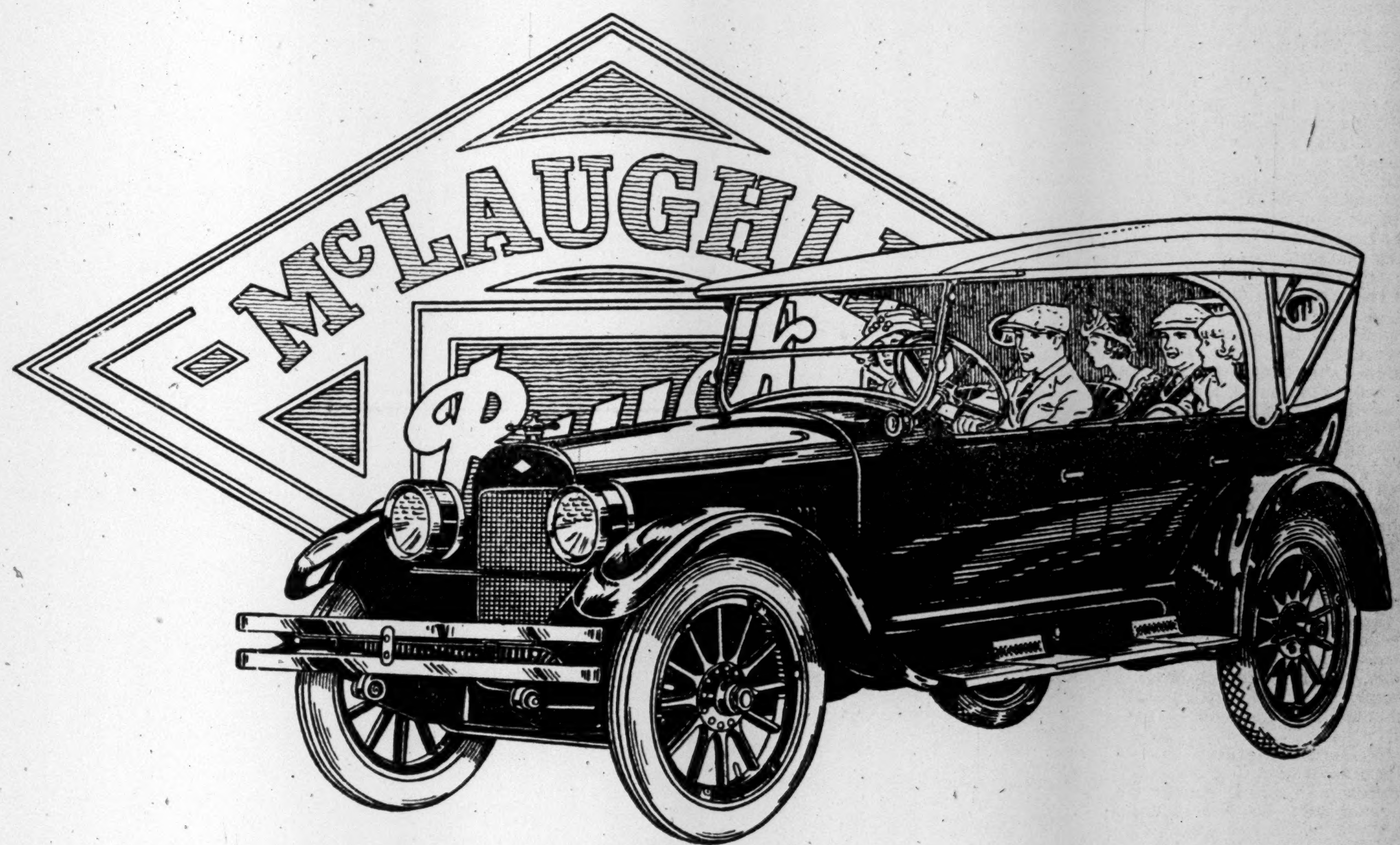

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MONEY, BANKING AND EXCHANGE

ENGLISH SEEKING SAFER FINANCIAL AVENUE OF TRADE

Difference in Canadian Methods Caused Them Heavy Losses

From Our Own Correspondent.

OTTAWA.—The opinions expressed by H. C. Tulleck, of Bradford and other English chambers of commerce, before the Banking and Commerce Committee, indicate two things: that the British mercantile interests have been pretty badly bitten by certain unscrupulous traders in Canada and that the former are apparently convinced that they must trade more with Canada and the Empire generally.

On the latter point, Mr. Tulleck said it was realized in Britain that there had to be more trading within the Empire. There was also a strong desire especially to trade more with this country, and because of this it was deemed necessary that it should be done on a satisfactory basis and on one that would minimize losses. He also gave the committee to understand that Canada's credit had been seriously damaged through the actions of unscrupulous traders.

He was reminded that the British mercantile house had to run the risk of losses the same as others, but the reply was that they were used to that, being traders with all the world. However, it was indicated that some British firms have possibly been taken in because of the different methods by which business is transacted in this country. For example, Mr. Tulleck said that under the British Bank Act a bank stood on the same ground as other creditors in the matter of losses. Possibly some may have thought that this rule held good in Canada. It also seems that in replying to enquiries as to the standing of customers a bank in England is much more general than one in this country, for it came out that some of those reported on in Canada as first-class had proven to be bad risks. When the Canadian bank said first class, the English concern thought that settled it.

Mr. Tulleck was pleased with amendment 88A, providing for the registration of a prior lien granted to a bank, but he would be better pleased if all liens granted before August 1st, 1923, were wiped out. He also suggested that the amendment be extended to section 86, that is on bills of lading and warehouse receipts. The British mercantile interests evidently are still afraid that they may be done up, for it was pointed out that while they had no objection to the hypothecation of bills of lading in order to pay the vendors covered by these bills, still they did object to such hypothecation in order that the money might be paid to third parties, which meant that an unscrupulous man might trade on the capital of his creditors.

It was also pointed out that British houses practically had to sell on 60 days, the opinion being expressed that it would be impossible for Canadian interests to do business on any other terms. Such being the case, it was necessary that the British merchants should have reasonable protection.

Western Agitation

There are indications of a strong agitation for a radical change in Canada's monetary system coming from the West, which has supplied so many new issues in federal politics. Alberta is taking the lead. George Bevington, of the Alberta United Farmers, is the leader of the new thought, assisted by Neil East, also an Alberta farmer.

There is naturally a tendency to discount Bevington, but this is a mistake. He is well informed on banking and finance, at least on the theoretical side, and it is doubtful whether there is a political economist in Canada who could have given a better exposition of the banking system than he did before the Banking and Commerce Committee. As an advocate of the permanent abandonment of the gold standard he is radical in his views, but in demeanor and in the exposition of his opinions he gives one anything but that impression. Nature seems to have given him a very well-balanced head, and he certainly keeps it well under fire.

Bevington thinks that the country having abandoned the gold standard during the war, and as it has not suffered from the experiment, should adhere to this policy. Indeed, he does not think that the nations could support their present burdens under any other system. How far he would go in the carrying out of his theory remains to be seen, but he apparently thinks that the government should go to the extent of issuing Dominion notes enough to provide for his federal loan board.

East is more thorough going. He does not see why the whole of the obligations assumed by the government with respect to the railways should not have been met through the issue of Dominion notes. But, of course, the question arose, where do you propose to stop in the issuing of such notes?

The Western farmers are close followers of the monetary discussion that has been taking place in the United States. They are also remarkably well up on the farm credits legislation that has recently passed Congress. Many think that it is impossible for the nations generally to return to the gold standard, and though they do not say so, they undoubtedly in thought ask if the world is to be crucified on a cross of gold.

The opinions of Henry Ford and Thomas Edison on the monetary system have also been much studied by the farmers throughout the West, and quite a few are inclined to the view that there must be something in them. These influences, and the rapid deflation in the prices of farm products, have given the new school of economists quite large audiences and the country is apparently in for a thorough discussion of the monetary system, with the West taking the lead.

CHICAGO'S BANK FAILURES MANY: DETROIT'S SCARCE

Former Has Many Banks, No Branches: Latter Few Banks, Many Branches

NEW YORK.—The failure of a number of banks in Chicago within the past few weeks is being used to point a moral favorable to the further adoption of the branch banking system by those who favor them. It is being pointed out that small bank failures are becoming too frequent in the Windy City and that the adoption of a branch bank system as against a system of individual small banks would eventually do away with these failures to a great extent.

The City of Detroit is being held up for comparison. The banking situation is said to be more or less the same in both cities. In neither city are there many national banks; most of the banking business of both cities is conducted through state banks. When any increase in the banking facilities of either city appears to be called for the tendency seems to be toward the establishing of further state banks. But there the similarity stops. In Chicago no bank is allowed to have branches. In Detroit almost every branch has one or more. Chicago has about two hundred banks, all of them separate institutions. Detroit has two hundred banking offices but over one hundred and seventy of them are branch banks. There are only twenty separate banks as against Chicago's two hundred.

And here is the moral the supporters of the branch bank adduce: while bank failures are quite common in Chicago, the whole state of Michigan has had only two bank failures since 1912. Only one of these failures will result in loss to depositors. Neither of the failures occurred in the city of Detroit. Chicago should adopt Detroit's system.

Few New Bank Branches Were Opened In March

Only three new branch offices were opened by the Canadian chartered banks during the month of March as compared with eighteen offices closed for the same period. The Bank of Montreal reports the merging of its two branches at Belleville. Following is a list of the branches opened and closed during the month:

Opened

Commerce—Danforth & Dawes, Toronto.

Provinciale—Ford City.

Royal—Artewisa, Cuba.

Closed

Hamilton—Craigmyle; Lomond; Oyen, Alta.; Powell River, B.C.

Hochelaga—Moose Creek, Ont.; St. Zenon, Que. (sub-agency).

Imperial—Tottenham, Ont.

Montreal—Dollard, Sask.; Lauder, Man.; Legal, Alta.; Belleville two branches merged.

Royal—Seeleys Bay, Ont.; Margo, Sask.; Lintlaw, Sask.

Standard—Windham Centre, Ont.; Richlea, Sask.

Toronto—Bulwark, Alta.

Union—West Side, Saskatoon; Lundbreck, Alta.

Exchange

NEW YORK FUNDS

April 12—Funds opened at 2 1-32 per cent. premium and closed at 2 1-16.

April 13—Opening at 2 1-8 funds moved up to 2¼ at the close.

April 14—Funds opened unchanged at 2¼, and sold at the close at 2 5-16.

April 16—Opened at 2 5-16, sold up to 2 7-16, and closed at 2 3-8.

April 17—Funds opened unchanged at 2 3-8, and closed at 2 per cent.

April 18—Opening at 1 31-32 funds eased to 1 23-32 and sold at 2 at the close.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
April 12	4.65⅝	6.69	4.98
April 13	4.65 9-16	6.68	4.98½
April 14	4.65⅛	6.66½	4.97½
April 16	4.64⅞	6.64	4.94½
April 17	4.65⅛	6.64	4.94½
April 18	4.65⅝	6.64½	4.94½

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Apr. 12, 1923	Change	%
Toronto	$100,360,372+	$11,144,656	12.5
Montreal	94,255,101—	5,253,644	5.3
Ottawa	6,445,788—	844,317	11.6
Hamilton	5,455,890+	493,279	9.9
Windsor	3,289,888—	402,768	10.9
Halifax	2,957,723—	325,419	9.9
London	2,880,949+	104,024	3.7
St. John	2,794,674+	179,446	6.8
Moncton	1,182,768—	324,649	21.5
Kitchener	1,167,830+	86,482	8.0
Brantford	1,012,402—	57,622	5.4
Sherbrooke	895,211+	109,854	14.0
Peterboro'	760,000+	15,432	2.1
Kingston	568,256—	18,817	3.2
Total East	$224,026,852—	$ 4,905,937	2.3

WESTERN CITIES

	Apr. 12, 1923	Change	%
Winnipeg	$ 40,829,918+	$10,836,507	36.8
Vancouver	14,530,836+	1,882,750	14.9
Calgary	4,608,898—	270,216	5.5
Edmonton	4,081,797—	42,059	1.0
Regina	3,397,450+	539,891	18.9
Victoria	1,970,960+	342,249	21.0
Saskatoon	1,481,147+	43,384	3.0
Moose Jaw	1,148,517+	202,282	21.4
Ft. William	716,092+	185,841	35.1
N. Westminster	601,513+	148,844	32.9
Lethbridge	566,000+	137,473	32.1
Brandon	506,138—	28,486	5.3
Pr. Albert	367,002—	3,769	1.0
Med. Hat	334,763+	51,027	18.0
Total West	$ 75,141,031+	$14,025,718	22.9
Grand total	$299,167,883—	$18,931,655	6.7
Year to date	$4,205,163,683—	$217,410,474	4.9

TWO FINDINGS OF IMPORTANCE AS TO CREDITORS' CLAIMS

Bankruptcy Cases Lead To Defining the Position of Claimants

Two important decisions relating to the Bankruptcy Act have just been handed down. One holds a general assignment of bank debts to be void in Ontario as against a trustee in bankruptcy, while the second maintains the right of a secured creditor to proceed to realize on his security notwithstanding any arrangement that the debtor may have made with ordinary creditors at a meeting convened under the Act.

Mr. Justice Fisher gave the Ontario decision against the Standard Bank.

The bank had taken a general assignment of the book debts of the Gordon Store, Chatham, on October 27, 1921, to secure an indebtedness to the bank of $5,232. There was no evidence that the company was insolvent at the time, and a statement made then showed a surplus of $33,272 of assets over liabilities. But on February 26 last a receiving order was made, and the decision of Mr. Justice Fisher means that the trustee in bankruptcy is entitled as against the bank to all the debts unpaid at the time of the receiving order.

Mr. Justice Fisher follows a decision of the Supreme Court to the effect that a section of the Bankruptcy Act "clearly avoids as against a trustee in bankruptcy every general assignment of book debts so far as they remain unpaid at the date of the authorized assignment, excepting cases where provision is made by provincial statute for the registration of notice or publication of such assignment of book debts where there has been compliance therewith."

In Ontario there is no provision for the registration of general assignment of book debts, nor for publication, so that the exception is held not to apply. The effect of the judgment is that there may have to be an enactment by the legislature to provide for this.

The Supreme Court of Canada gave the other ruling, holding that ordinary creditors cannot, by calling a meeting under the Bankruptcy Act, and extending debtor's period of credit, interfere with the civil recourse of a secured creditor for the purpose of realizing on his security.

The case was an outcome of the troubles of the Riordon Company. In 1921 the Riordon Company, being in financial difficulties, and desirous of operating its mills, obtained from its ordinary creditors an extension of time for the payment of its debts.

The John W. Danforth Company, of New York State, having done work for and supplied materials to the Riordon Company to the value of $100,720.85, had their legal privileges registered according to the provisions of the Civil Code of Quebec and took an action for the sale of immovables on which their privileges were registered.

The Riordon Company then presented a petition before the court in bankruptcy in Montreal, praying that the court should order all proceedings in the action stayed until the expiration of the delay covered by the extension of credit given by the ordinary creditors.

Molsons

J. R. Wainwright has been appointed manager of the Molsons Bank at Hamilton, to succeed J. E. Fidler, who has been transferred to the Winnipeg branch.

Commerce

W. P. Rapley has been appointed assistant manager of the Montreal branch of the Bank of Commerce, to succeed W. Hastie, who held the post for the past three years. Mr. Rapley has been transferred from the Sherbrooke branch where he was assistant manager.

Royal

P. D. Knowles, for some years manager of the Brantford branch of the Royal Bank, has been transferred to Toronto, and will be succeeded by C. C. Hodgins of Toronto.

FORTY YEARS A MANAGER

Citizens of Newmarket to the number of more than one hundred attended the banquet of the Board of Trade given in the honor of C. C. Ross upon the occasion of his retirement as manager of the local branch of the Bank of Montreal. For more than forty years Mr. Ross has been prominent in the life of Newmarket. He was formerly connected with the Newmarket branches of the old Federal and Ontario Banks. Mr. Ross has always taken an active part in municipal affairs and for several years was a member of the town council.

POPULAR MANAGER RESIGNS

Sydney Hughes who has been manager of the Dundas, Ont., branch of the Royal Bank of Canada, has tendered his resignation to accept an executive position with the Valley City Heating Co. Mr. Hughes is serving his second year as president of the board of trade and has been active in many other spheres conducive to better conditions in the community. The change has therefore been welcomed in Dundas because it is regarded as insuring that Mr. Hughes will continue as a permanent resident of the town.

DOMINION BANK IN NEW YORK

On Monday next, the 23rd instant, the New York Agency of The Dominion Bank will move from its old quarters at 51 Broadway to No. 35 Wall Street. These premises are in the heart of the financial district, lying between the offices of J. P. Morgan & Company and the Equitable Trust Company, and facing the Sub Treasury and United States Assay Buildings.

Prospects for Canada Steamship Lines for 1923 are Excellent President Tells Shareholders

Passenger Bookings Over 1922 Figure and Freight Business is Improving—Company is in a Position to Benefit When Upward Trend Comes in Ocean Freight Rates—Review of Year by President at Annual Meeting.

Excellent prospects for the 1923 season were forecast by W. H. Coverdale, Esq., president of the Canada Steamship Lines, Limited, speaking at the annual meeting of the company in Montreal on Monday, April 16. The president reviewed the somewhat unsatisfactory conditions that prevailed during the larger part of 1922; strikes in mining, transportation and other industries had been responsible for a reduction in the earnings of the company. Conditions are now different. There has been a good recovery in general business in the United States, passenger bookings are in advance of last year and general cargo business is improving. Despite low ocean freights at the present time, the company is in a position to benefit when the upward trend comes.

The shareholders re-elected the board of directors as follows: W. H. Coverdale, J. W. Norcross, Robert Hobson, H. B. Smith, D. B. Hanna, Hon. J. P. B. Casgrain, George H. Smithers, A. J. Brown, K.C., F. W. Molson, George Caverhill, Hon. Smeaton White, J. H. Fortier, C. E. Taschereau, F. J. Humphrey and R. Brock Thomson.

Three new members of the London advisory committee were confirmed by the shareholders, namely, Sir Walter R. Lawrence, Bart., Sir Reginald MacLeod and Mr. R. B. Phillpotts, in addition to the three present members of the board, Sir A. Trevor Dawson, Sir Vincent Caillard and Rt. Hon. Viscount Long.

Mr. Coverdale's remarks to the shareholders in submitting the annual report of the company were as follows:

"Those of you who were present at the last annual general meeting of the Company will recall that the president, in moving the adoption of the annual report and financial statement for the year 1921, offered for your consideration a survey in some detail of the financial and operating record of the Company leading to the credit position with which it was then confronted.

"Starting from that point, which may be taken as representing the conditions upon which the new financing was based, and which financing was authorized by you at that time, I now have to report as follows:

"All of the details of the financing have been carried out by your officers and directors in exact conformity with your enabling resolutions, and upon the credit thus established the operations of the year 1922 have been conducted with the result as shown by the annual report which has been in your hands for several weeks.

"The conditions of social and business unrest which existed during a substantial portion of the season of navigation and which were evidenced by strikes of the workers in coal-mining, transportation and other industries, and were entirely extraneous to this Company's working, affected our gross revenues adversely in amount of $1,171,809; such gross revenue declining from $12,786,680 in 1921 to $11,614,871 in 1922.

"Expenses were reduced to meet this situation by $958,978 with the result that net earnings for the year stand at $2,040,748 or $311,831 less than in 1921.

1921 Items Charged in 1922

"It is only fair to say that on account of the involved situation which existed in December, 1921, many items of expenses properly chargeable to 1921 operations were carried over into 1922, such items aggregating about $160,000; while at the end of 1922 no similar items which had been ascertained were carried over. By making the adjustment occasioned in this manner you will see that the net earnings for 1922 are about the same as those for 1921.

"Reserves for depreciation, for taxes, and for doubtful accounts, have been set up in adequate amounts; such item for depreciation being $808,524 which was $21,397 more than for the previous year.

"As to the total amount of interest on debenture stock and bonds, etc., which amounted to $719,819 for the year, it should be borne in mind that under the terms of its indenture the Companys pays interest on securities kept alive in the sinking fund, and uses such accruals of interest for the redemption of its bonds. About $80,000 of the above amount is thus available for Company purposes.

"The Company earned the sum of $429,910 applicable to dividends on its cumulative preference stock, and to other corporate purposes, as against $875,000 required for such dividend. As no dividend was disbursed the Company is now in arrears in that amount.

"Dwelling for a moment on the service which was profitable during 1922, it may be stated that all upper lake vessels, all lower lake and canal steamers, all package freighters, and all fresh water passenger steamships operated at a profit, while the gulf and coastwise, and ocean services operated at a loss.

Ocean Operations at Loss

"Before overhead and depreciation, the lake and river boats earned an operating profit of $3,744,090; the Gulf and Coastwise boats lost $151,184; and the ocean boats lost $258,769.

"The aggregate loss of the last two services being $409,953 for 1922 as compared with a loss of $600,499 for the previous year; substantial progress is being made toward the elimination of this item of loss, and the management feel that these services should be continued until a more favorable opportunity presents for making a final disposition of the matter.

"Of the net earnings in amount of $2,040,748 there was devoted to payment of all interest charges, the sum of $719,818 thus leaving for depreciation and for other corporate purposes the balance of $1,320,930, which has been utilized about as follows:—

"Cash paid to date for balance of Century Coal Co. Stocks and bonds ...	$200,000
"Advances to Century Coal Company to take up bank loans	500,000
"Rehabilitation of S. S. Richelieu	300,000
"Cash value of debenture stock and bonds retired through operation of sinking fund, thereby reducing funded debt by $376,210	300,000

"The balance sheet of December 31, 1922, resulting from the above operations discloses an improved credit position by reason of a reduction of $3,890,272 in current liabilities by means of a corresponding increase in funded debt.

"In connection with the capital expenditure of $300,000 made during the year 1922 on S. S. Richelieu, your attention is called to the fact that there was cash in hands of trustees in amount of $221,506 which is repayable to this Company upon completion of work of rebuilding.

"At that date the Company had outstanding no bank loans whatever. and no impending maturities; all assets and liabilities of subsidiary companies are included in the consolidated balance sheet furnished to stockholders; the contingent liability of $1,000,000 appearing in the 1921 statement no longer exists. and all underlying bonds with exception of $59,460 had been retired and cash deposited with trustees against the balance.

B. E. Steel Stock

"During the year 1,500 shares second preference stock and 625 shares of ordinary stock of British Empire Steel Corporation, Limited, were sold for $63,911, and cost to this Company realized therefrom.

"During the year your Company acting through trustees purchased $220,000 first mortgage of the Davie Shipbuilding and Repairing Co. Ltd., also $21,700 second mortgage of the same company, with the result that the third mortgage of the Davie Company in amount of $2,500,000 owned by this company, becomes a first lien on that property.

"Since the date of the last annual general meeting three new members of the London advisory committee have been elected by action of your board of directors, namely, Sir Walter R. Lawrence. Bart., Sir Reginald MacLeod, and Mr. R. B. Phillpotts. Your directors request the re-election of these gentlemen together with Sir A. Trevor Dawson, Sir Vincent Caillard and Rt. Hon. Viscount Long, as members of that committee for the ensuing year.

The Dividend Outlook

"As the expenditures made during 1922 on S. S. Richelieu, Century Coal Company and bond retirements, although large, do not represent the Company's total commitments, and as we must find during the year 1923 an additional sum of about $500.000 to complete the Richelieu and Century Coal Company purchase, and as the sinking fund will require another $300,000 for retirement of additional bonds, and as we have miscellaneous requirements of at least $100,000, it will be apparent to you that we must devote $1,000,000 out of the net earnings of the current year to the above purposes before we can hope, to arrive at a credit position, which would warrant the directors' consideration of the resumption of the preferred stock dividends.

"Under these circumstances you will be gratified to learn that the prospects for the season's business are excellent. There has been a good recovery in general business in the United States, passenger bookings are already much in advance of last year, new C. S. L. offices have been opened in Pittsburgh, St. Louis, Cincinnati, Brooklyn and Los Angeles, and reports indicate increased tourist travel to meet which we shall have the new Richelieu on the river, and an extra steamer on Lake Ontario.

"As to freight, we are gradually improving our general cargo business, and have been successful in closing many large contracts for westbound tonnage in connection with our ocean service. Ocean rates are still very low, but when the upward trend comes, we will be in a position to benefit therefrom."

Nova Scotia

At the last meeting of the Board of Directors of the Bank of Nova Scotia, Francis P. Starr of St. John, N.B., was elected a director of the bank, succeeding the late James Manchester of the same city. Mr. Starr was a director of the Bank of New Brunswick at the time that bank was amalgamated with the Bank of Nova Scotia, and will represent on the Nova Scotia Board the interests of the former customers and shareholders of the Bank of New Brunswick. He is also a director of the Eastern Trust Company, Halifax.

NEWS AND VIEWS FOR MANAGERS

ALBERTA DECIDES AGAINST A BANK OF THE PROVINCE

Enthusiasm of U.F.A. Convention Wanes in Legislature

Banking reform and the demand for a provincial bank at the U. F. A. convention in Calgary last January, stirred the delegates to the highest pitch of fervid discussion.

Banking reform in the Alberta legislature is a subject which has failed to excite a respectable ripple of interest, and the proposal of a provincial bank found U. F. A. members spurning the thought with considerable vigor.

The U. F. A. proposal for a provincial bank is as dead as a March hare so far as the provincial government is concerned, according to the Edmonton Bulletin. The resolution, while not calling for any provincial action, was much criticized by U. F. A. members.

Attorney-General Brownlee came forward with the definite suggestion that there should be appointed a credit commissioner to supervise banking and loaning operations in the province, while George MacLachlan, (U. F. A.) Pembina, offered an amendment to the Tobin resolution which mainly asked that the final revision of the Dominion Bank Act should be delayed one year after an investigation by the Dominion parliamentary committee this session, and that in the meantime western agriculturist interest be given an opportunity to give evidence on the question.

Taking up the banking resolution debate Hon. Mr. Brownlee dealt in detail with the western unrest over the whole system of credits; noted that there was as much agitation in the east as the west over the matter, and recalled how the government last year had appointed Professor McGibbon to make an inquiry into the practical woking of the banking system in this province. He commended the report of Mr. McGibbon highly and thought it would suffice to send to Ottawa for the purposes of the federal committee on banking reform. Mr. Brownlee strongly advised that there be established an office of credit commissioner to supervise banking and credits affairs in the province and thus correct the abuses of local administration if such exist. He suggested, too, that the final revision of the Banking Act by the Ottawa House should be delayed one year and that an investigation be made directly into western agricultural conditions in the meantime.

Favored Long Term Loans

The suggestion of the attorney-general was at once submitted and the amendment by Mr. MacLachlan who thought any decision on reform of the Bank Act should not be hasty. He advocated long term loans on a national basis, but declared the provincial government should help the farmers build up a co-operative marketing system for farm products, and assist co-operative credit measures.

Renounces Provincial Bank

Alex Moore (U. F. A.), Cochrane, openly renounced the plan of a provincial bank which he was advocating at the outset of the session, stating that he was prepared to explain to his U. F. A. locals why the government could not carry out the resolution of the last two or three U. F. A. conventions and establish a provincial bank.

NOVA SCOTIA BOARD CHANGE

Francis P. Starr Succeeds Late James Manchester

At the last meeting of the board of directors of The Bank of Nova Scotia, Francis P. Starr, of St. John, N. B., was elected a director of the bank, succeeding the late James Manchester of the same city. Mr. Starr was a director of the Bank of New Brunswick at the time that bank was amalgamated with the Bank of Nova Scotia, and will represent on the Nova Scotia board the interest of the former customers and shareholders of the Bank of New Brunswick. He is also a director of the Eastern Trust Company, Halifax, N. S.

EXCHANGE ON FREIGHT

In accordance with the judgment and order of January 14, 1921, the rate of exchange in connection with shipments of freight between points in Canada and the United States from April 15 to April 30 inclusive will be 2 5-16 per cent., and the surcharge on the said traffic will be one per cent. for the same period. The rate of surcharge on international passenger business will be based on two per cent. exchange.

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Males Hesitate to Make Deposits When Woman Attends the Wicket

From Our Own Correspondent.

ST. JOHN, N. B.—Are women successful in tellers' cages? During the war period many of the banks, installed women in the cages, because of lack of men. However, as soon as men became plentiful, most of the women were removed from the cages. Why are women not acceptable as tellers? This question has been asked repeatedly. Some of the feminine tellers have been brighter and certainly honest in all their dealings, but the chief drawback seems to be that savings accounts are discouraged rather than invited with a woman in the box. Man, has a natural diffidence where a woman is concerned. He certainly does not like to have a woman aware of his financial condition, the number and size of his deposits, and the number and size of his withdrawals.

Astute bank managers have contrasted their savings business with men and women in charge of savings accounts. It has been found that the depositors want men in the cages. Men know of the propensities for volubility on the part of women and fear their financial affairs will be the subject of gossip. Despite the tendency toward removing of feminine tellers, some banks retain the women in the boxes. But the question is "even though the women receive smaller salaries is the bank profiting by retaining them?"

One manager of a small branch in eastern Canada, conceived the idea of ascertaining for himself if the woman he had in the box was satisfactory to the customers of the bank. So he had a little talk with as many of the customers as he could get in touch with. In the course of a month he had conversed with three hundred of the bank's permanent customers, most of them having savings accounts. In confidential conversation he found that practically all the men expressed a preference for a male teller. He talked with comparatively speaking, a few of the bank's feminine customers and they were unanimous in their preference for the man in the box. And this despite the fact that the teller then employed was painstaking and bright. But she was removed to another branch and placed on the books. An improvement in the number of accounts has been noticed since a man was assigned to the box.

Section 88 of Bank Act to Aid Firms Short of Working Funds

In Granting Loan Bank Creates Its Own Security—Understanding is That Borrower Will Pay for Goods—Bank Cannot Take Business Risk is Basis for Such Regulation

By A. B. BARKER
Manager, Toronto Clearing House.

The chief opposition to the proposal to register the security under Section 88 of the Bank Act will come, not from the banks, but from the borrowers, who are claiming that it will affect their credit, and it is understood that the Canadian Manufacturers' Association has already circularized its members in regard to it. As to whether it would or not is a question, and there are good arguments on both sides. It might be pointed out, however, that, as the majority of manufacturers require advances from the bank to carry on their business they will necessarily pledge their stocks of raw material and finished goods in order to obtain this accommodation. This is perfectly well known to all business men and, while there may be some who do not require accommodation in this way the chances are that anyone selling to manufacturers on credit will take it for granted that his customer is giving security to the bank, under the section, and will arrange the terms accordingly.

This section of the Act has been the subject of much adverse criticism, as giving the banks unwarranted privileges in the way of security. Most of this criticism is unjust and usually arises from the unfounded assumption that all classes of traders come under its provisions. The Act, however, specifically restricts loans to business men under this section to wholesale dealers in certain clearly defined commodities, chiefly those usually bought and sold for cash in the ordinary course of business, and to wholesale manufacturers on goods, wares and merchandise, manufactured by them or procured for such manufacture. In regard to manufacturers the theory of the Act is, that by providing a method by which these may give security on their goods to the bank, they are able to obtain the funds to buy their raw materials for cash, and so to get the benefit of close prices, also to obtain the funds to pay the costs of manufacture in cash, including wages, which usually form the biggest items in manufacturing costs. In this way Canadian manufacturers have been enabled to carry on their operations with a much smaller working capital than would otherwise have been the case and it is no wonder that they view with alarm any regulation which might reduce their supply of credit.

Must Be Paid For

It is clearly the intention of the Act that, when an advance is made against goods under Section 88, the purpose of the loan is to enable the borrower to pay the vendor or producer for the goods and the underlying principle of the Act is that the bank, in making advances under this section, creates its own security, in that the assets of the borrower are increased to the value of the amount loaned. There is therefore an implied assumption that the goods should be paid for, but the Act imposes no responsibility on the part of the bank to see that the vendor is paid. In one of the recent cases, however, the judge stated that it was not intended that this security was to be taken on unpaid for goods, and if the bank had knowledge that the moneys loaned by it in this security are not being used to pay for these goods, this knowledge would probably invalidate the security. The spirit of the Act is plain enough, although the details of operation may not be clearly defined, and the courts leave no doubt that it is the spirit of the Act upon which their decisions are based. Rules cannot be too plainly stated, however and in time, no doubt, future revisions of the Act will state more definitely the procedure necessary to give effect to the intent of the section.

The security under the section is peculiar to Canadian practice, and has been a matter of evolution, which naturally requires time to develop a smoothly working system satisfactory to all. It originated with loans against warehouse receipts which are permitted to banks in all countries.

The reason why security of this kind is permitted banks is easily seen in the relatively small gross profits of banks, in comparison to ordinary mercantile profits. A mercantile dealer expects a gross margin of 20 to 30 per cent., and for this expects to take certain risks. With a gross return of 6 or 7 per cent., as in the case of the banks, it is obvious that the same risks cannot be taken. A bank naturally expects to take the risks incidental to its business but what would be a fair business risk with a margin of 30 per cent., would be insanity with a margin of only 7 per cent.

Must be New Debt

In security under the section, as with advances against warehouse receipts, it is necessary that the debt must be a new one, neither can be taken to secure a debt already contracted. According to a court decision, however, it is not essential that the goods be in use at the time promise to give a warehouse receipt or pledge under section 88 is made. This permits an advance to purchase goods upon a written promise that security on the goods will be given later. This promise, however, is hedged about with restrictions to insure that the goods upon which security is taken are the identical goods referred to in the promise.

The section also permits loans to farmers and cattle dealers, breeders and feeders, upon the security of their grain and cattle respectively.

This is an experiment, and while it will not increase the amount of an advance to anyone whose character and record are not satisfactory, it will have a great effect in defining the terms upon which loans to farmers are made, and in helping to keep them liquid.

In practical handling of advances to farmers, under this section there are several points not always appreciated. In the first place the grain remains in the borrower's possession. In order to comply with the terms of the Act the grain so pledged must be kept separate from the rest of the grain owned by the borrower, and in such a place that it may be readily identified—not an easy thing to do on many farms. Then it must be remembered that there is no official certificate as to grade or quantity. These can only be estimated at best, and it is a well known fact that estimates of this kind are never accurate even under the most favorable circumstances. It may be urged that the same thing holds true with respect to the value of goods pledged by trading borrowers under the section. So it does but there is this difference, that with the trader there is a constant turnover of goods, and as he must of necessity be a wholesaler, and consequently in a fairly large way of business, his records will be such that the bank will be in a position to verify the existence of the security to its satisfaction at regular intervals. If these statements show an unfavorable state of affairs the loan can be promptly called, as such advances generally are by way of demand notes. The trader knows this and arranges matters accordingly. With the farmer borrower this is not the case. His idea in borrowing in this way is not to increase his turnover, but to enable him to hold his grain for more favorable prices.

Usually Disappointing

Bankers are not unanimous as to the practical benefits of this security to them. If it has to be looked to by the bank in order to realize on the goods pledged the result is usually a disappointment. The security itself also has this defect, that, with the great care which must be taken in the details of its execution, some are inclined to place too much value on it. It has this advantage, however, that by reason of this care in the details the transaction upon which the advance is based will be more clearly defined, and the terms more definitely understod by both bank and customer. As the bank is in reality a trader in credit this is a decided benefit and the more this feature of banking is emphasized the more clearly the true functions of a bank will be appreciated by its clients and the public generally.

In this connection the following from an address to the shareholders of the London, Westminster and Parr's Bank, Limited, London, by the chairman, Mr. Walter Leaf, is worth careful study:

"The part which banks play in industry is, I believe, much exaggerated in popular opinions. It must be remembered that bankers do not create wealth—it is only within very narrow limits that they can create credit. Credit is based on production and savings which increase bank deposits; the function of banks is mainly directive. They can influence in one direction or another the employment of funds which their customers place with them, but in the amount of credit which they can dispose they are neither creators nor free agents; they are strictly limited by their resources."

The Development of Canada's Bank System

The second volume of the history of the Canadian Bank of Commerce, with an account of the other banks which form part of its organization, is just off the press. It deals with the Bank of Commerce proper, while the first volume, which appeared in 1921, dealt with banks absorbed. The chapter devoted to the development of the Canadian banking system is particularly interesting at this time in view of the periodical revision of the Bank Act.

This chapter gives the terms of the original articles of association of the Montreal Bank drawn up in 1817, which were incorporated into the charter of that institution, now known as the Bank of Montreal, and served as a basis for all succeeding bank charters until the first general Bank Act of 1870. Special reference is then made to the first charters of the pioneer banks in Upper Canada and to the safeguards required by the provincial government in the interest of note-holders, depositors and shareholders. An account is also given of the attempt on the part of pre-confederation governments to curtail the note issues of the banks and to increase their own issues of notes and securities. In this connection the so-called "free banking" Act of 1850 was intended to encourage the establishment in Canada of free banks. In 1859 were enacted the first regulations under which banks were empowered to grant credits on the security of pledges and in this way to assist in financing the marketing of grain and other products. An historical review of bank charters in Lower Canada, the Maritime provinces and British Columbia prior to Confederation is also given. The latter half of the chapter tells the story of the passing of the first general Bank Act in 1870 and records the changes made in it by the various revisions of the Act since that date. Special mention is made of the revision of 1890, when provision was made for the establishment of what is now known as the Bank Circulation Redemption Fund, to which all banks contribute and out of which are redeemed the notes of any bank which may fail.

IMMIGRATION POLICY HAS BEEN A FAILURE SAYS COLONEL HATCH

(Continued from page 1)

ers we have, the greater number of consumers we have. I could never understand why Canadians do not buy only the products of their own factories. Every village, town, and city is endeavoring to secure industries which will make a payroll for distribution in their locality, and yet you will find the merchants in these places where industries are, instead of buying the goods made by the factories in their own town, will bring in some foreign-made articles in competition. Do these merchants ever think that every dollar's worth of goods they bring in to their own town which could be made in their own town, that they help remove some worker out of his job, and which prevents the worker from distributing his wages amongst them. Surely he cannot criticize the working man who sends his money out of town to a department store for his merchandise, if you are not interested enough in him to see that every hour of his time is employed, by the part you can play in distributing the products of his work. Co-operation of this kind will employ all the people that the Canadian Government can get to come to this country.

This country must have an immigration policy that will fill up the country with people who will work and consume.

We need a policy for the business of Canada. A business administration by business men instead of by those who are untrained to transact the business of a country developing as it should be doing.

Manufacturers must have a higher tariff and plenty of available labour.

Farmers require plenty of labour and millions of consumers.

If an immigration policy and an increased tariff policy were put into effect at the same time, they would both work to everybody's benefit, and Canada would become, considering the natural resources she possesses, the most prosperous country in the world.

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TORONTO, APRIL 20, 1923

DEVELOPMENT VERSUS EXPLOITATION

THAT the great Pre-Cambrian area which composes the mining lands of central Canada, including those of Quebec, Ontario, Manitoba, Saskatchewan and Alberta, should be developed, not exploited, is the message of Dr. C. V. Corless, general manager of the Mond Nickel Company. In this terse statement with which Dr. Corless wound up his recent address in Toronto is embodied the explanation of THE FINANCIAL POST'S close attention to mining problems.

It is appreciated that mining in Canada has a tremendous future. In the development of this great national wealth lies in a large measure the future prosperity of the country. There have already been attempts to exploit these resources. This is an evil to be expected. However, we believe that through the active interest of our best people, and by education, this evil will gradually disappear. THE FINANCIAL POST realizes this, and desires to do its part to help further develop along sound lines this great industry which to-day is, obviously, only in its infancy. If our mineral resources are developed and not exploited, the resultant wealth will be a great factor in creating better times and in discharging the country's burdens of debt.

THE PROBLEM OF DEPOPULATION

QUEBEC province is not so much interested in "immigration" as in "emigration." Premier Taschereau's exposition of the problem in Montreal last week end was only the crystallization of a thought that has been definitely forming in the minds of many business men, that a big need of the moment is to stop the flow of Canadians to the United States just as much as to bring new citizens to Canada. It is natural perhaps that Quebec province should emphasize this phase of the problem of population because Quebec has probably lost more of its citizens by emigration to the United States than any other province. The Quebec communities south of the St. Lawrence are near to the larger industrial centres of the New England States where restrictive immigration has brought about a condition of labor shortage and inflated wages. Textile workers recently had their wages raised 19½ per cent. in Massachusetts mills. This typifies the conditions that attract the French-Canadian from the soil and from the smaller industrial communities of the province.

It is suggested by Premier Taschereau that aggressive action in promoting industrial centres in Quebec would be one remedy. The province of Quebec would be prepared to pay the moving expenses of any French-Canadian families in the United States who would return to Canada because the cabinet feels that it is more important to have old Canadians back than to have European immigrants.

The problem is not altogether one for Quebec alone. Western Canada and Ontario have suffered from depopulation. Canada has been to some extent a training ground for immigrants who eventually find permanent homes in the States. Premier Taschereau is to be commended for bringing the problem into the limelight; for directing the attention of Ottawa to the fact that keeping our present citizens is at least as important as getting new ones.

A MATTER OF SERVICE

BANK baiting is popular sport with a certain group of Western politicians who seek to capitalize the discontent of the farmers with the present economic situation in regard to the agricultural industry, in organizing uprisings against established institutions—political and otherwise. Their tactics in regard to the banks have been particularly successful. The stand-pat attitude of the bankers, as represented by the Canadian Bankers' Association, in the face of such evidence of weaknesses in the system as revealed in the collapse of the Merchants Bank, has played into their hands. The situation is one which the bankers cannot afford to ignore.

At the same time it is not to be supposed that there is any considerable number of people in Western Canada who would go so far as to adopt the proposals of the radicals and wreck the present system in favor of something, or nothing, else. Western Canada has a big "silent vote." A great majority of the people are on their homesteads and their voices are seldom heard in the agitations of the moment which are engineered by a few enterprising politicians. Their judgment of the Canadian bank system is based on their experience and that experience has for the most part been satisfactory, both as to treatment accorded and service rendered. The trouble has been that when complaints have been made the attitude of the head offices of some of the banks has been one of aloofness, with the result that seeds of dissatisfaction have sprouted and flourished when they would have had little chance of taking root if public opinion had been properly prepared regarding the banks and their functions.

Some of the newspapers, unintentionally no doubt, have been playing into the hands of the bank baiting politicians by carrying colored reports. Hon. George Hoadley, minister of agriculture in Alberta, recently declared at Edmonton that an utterly misleading interpretation had been given as to his views regarding the banks in an interview at Calgary, under a heading which declared that "the banks were squeezing the stockmen dry." The banks had always accorded him every consideration, he said, and he had no reason to believe that they were otherwise treating the stockmen in general.

Similarly, the Medicine Hat News declares that "we do not want socialistic or bolshevistic experiments in banking" and that "while there may be minor matters which could be provided for either in the banking law or supplementary to it, such as farmers' loans for a period of from six months to a year, the main features of sound banking already exist in Canada."

Then, too, there must be considered the decision of the Farmers' Government in Alberta not to establish a provincial bank, the efforts of the Farmers' Government in Manitoba to bring the government banking experiments there to a sound basis and the experiences in Saskatchewan in trying to establish farm credit facilities with local funds.

Altogether the banks are probably serving Western Canada just as efficiently as the mortgage companies, but while the former have maintained a Toronto and Montreal aloofness, the latter have put their best men into the field to keep in close touch with their borrowers; while the Canadian Bankers' Association has issued cryptic statements through its nominal head, the Dominion Mortgage and Investments Association has spread its organization throughout the various Western provinces and shown on behalf of the loan institutions a determination to co-operate in every way to bring their clients through a trying period.

THE LOSING PARTNERS

IT IS reported that the Kingston Cutlery Co. has been forced out of business by the flooding of the Canadian market with German cutlery. Is this the case? In some well-informed circles, this excuse is regarded as a sop to the shareholders. It is stated that the proposition was doomed to failure before it started; that cutlery men more competent than the Kingston people have tried and failed to make cutlery in Canada.

Investors who placed their funds in this proposition have lost money. They perhaps failed to realize that in buying stock they become partners in a business venture and dependent upon the success of that venture not only for interest on their investment, but also for the safety of the principal. When people appreciate the extent to which they as shareholders are dependent upon the soundness of a project and the capability of the management, there will be less money raised in this way.

LIGHTER TAXES—MORE REVENUE, BETTER TIMES

THE Secretary of the Treasury in the United States proposes a reduction of the minimum surtax rate on incomes from 50 to 25 per cent., it having been found that such reductions of tax rates as have already been made, have had the effect of reducing total tax receipts. Further it is believed that such reduction will quite certainly return to reproductive channels a large amount of real capital which is to-day comparatively sterile, because as a matter of self-protection, men with large incomes have found it necessary to invest a large portion of their capital in non-taxable securities. These securities it is pointed out by Hayden Stone & Co., are largely of such a nature as not only to induce reckless incurrence of debts by municipalities, but the money when received is chiefly spent in questionable and non-productive work.

It is now being recognized in the United States that there is a sad lack of logic in the agitation against the increase of tax exempt securities, and at the same time, providing for several hundred millions additional of farm bonds of a rather doubtful character and expediency. If the surtax could be reduced to a point that incomes no longer had to seek tax exempt securities, but could be used in the ordinary commercial and industrial channels, for providing new facilities and equipment and extending old—that is, in reproducing new wealth—it would tend, perhaps, as much as any other factor, to prolong the present period of activity and prosperity.

The theory of lighter taxes to increase prosperity and eventually increase revenue, is one which could be considered by the budget makers at Ottawa. A working example is provided by the United States.

EDITORIAL NOTES

DR. CORLESS, the noted mining authority, attributes our winter unemployment to the fact that we are living in what he was pleased to term the Soft Age. To this fact also he attributed the lack, or rather the dearth of young prospectors. Prospectors are pioneers, and certainly the free hand-outs of a city will never drive them to the backwoods where they have to undergo considerable amount of hardship if they are to be successful.

* * * *

WHEN THE Armour-Morris packing interests were merged the Morris family made a gift of $500,000 to provide for veteran employees who could not be advantageously placed. In addition, pensioners were paid back all contributions with compound interest. The Toronto Globe, in its usual attitude towards big business, heads the item referring to this gift: "Widow and Orphan Suffer by Merger: Superannuated Employees Callously Cut Off: Pittance is Provided."

* * * *

WHILE RODOLPH VALENTINO finished his dancing exhibition at Toronto an important Canadian National train was held seventy minutes and many regular travellers greatly inconvenienced. Trains on the government system used frequently to be held up for politicians, but we do not understand where the "world's greatest lover" gets his pull—perhaps it is the women's vote. In any event it is not good railroading to hold up a train schedule for over an hour to suit the convenience of Rodolph Valentino or even someone of importance.

* * * *

WHILE CANADA as a young and growing country is continually seeking outside capital to finance the development of her resources, it must not be supposed that the profits entailed are all going to foreign investors. In the iron and steel industry, for instance, over fifty per cent. of the $350,000,000 invested in securities was contributed by Canadian investors. Prosperity for the industry, therefore, means dividends for a large number of our own people who have placed their funds in ventures which, in the employment of many workers, are so largely responsible for general prosperity.

* * * *

THAT A PUBLIC utility in serving essentials like light, heat and power has passed the stage of a purely commercial enterprise, is emphasized by bulletin of the Montreal Light, Heat and Power Company in calling on every member of the organization to understand the company's position in a manner that will enable him or her to explain satisfactorily to themselves and to others the functions of a utility in performing an important service from the point of view of the community's welfare. Service is becoming more and more recognized as the standard by which big business is judged, the standard by which it must be justified.

Will the Mighty St. Lawrence be Harnessed for Its Power?

River Has Power Potentialities of 4,100,000 Horse Power—The Five Schemes for Development That Have Been Worked Out and the Possibilities of Marketing the Energy

From Our Own Correspondent.

MONTREAL.—The premier of Ontario makes a hurried visit to Ottawa to assure himself that the Dominion will not alienate water-power rights on the St. Lawrence without provincial co-operation and sanction. A large American corporation announces plans to distribute St. Lawrence power, if, as and when developed, to points as far south as Washington. Sir Adam Beck tells Ontario municipalities that they can develop and distribute St. Lawrence power on their own credit, without provincial guarantee of the bonds.

All of these developments increase the brilliancy of the spotlight now being thrown upon the noble St. Lawrence, which carries to the sea the mighty accumulations of water of the world's greatest inland waterway.

What are the power possibilities of the St. Lawrence? Engineers estimate the power potentialities of the river from Lake Ontario to Montreal as 4,100,000 h.p., 40 per cent. greater than the total power installations in Canada to-day.

But the same engineers believe that the simultaneous development of such a vast quantity of power is not a sound economic procedure, as a market to take this output is not now in existence and can not be expected to spring into being at once.

The Power Now Developed

There is now developed on the St. Lawrence 360,000 horsepower, of which 260,000 horsepower is on the Canadian side. This includes turbines now being completed. The largest developments are those of the Montreal Light, Heat and Power Co., and Canadian Light and Power Co. on the Canadian side, and the St. Lawrence River Power on the American side. Most of the Canadian power is used in the province of Quebec. Ontario has as yet used but little St. Lawrence power, having concentrated its power developments on the Niagara River and other points westerly of the St. Lawrence area.

Even the estimates of the Ontario Hydro-electric Power Commission do not see much growth in Eastern Ontario in the use of power. In Ontario, within a radius of 200 miles of the St. Lawrence, it is estimated that in 1931 there will be a power market of 121,000 h.p., and in 1941 of 190,000 h.p. Montreal and district probably would absorb little. It is felt that power can be more economically developed on the St. Maurice and other Quebec rivers to serve the eastern provinces. Therefore the big market for many years to come for St. Lawrence power, whether it be developed on the American or Canadian side of the river or by joint action, must be in the industrial centres of New York, New England and even further south. The Canadian power would have to be exported under such terms and conditions as would make it available for use in Canada if ever required.

There is a great deal of controversy over the subject of deepening the St. Lawrence for navigation as recommended by the International Joint Commission. This article does not set out to provide an argument on either side of the controversy. In discussing the power possibilities of the St. Lawrence as distinct from the navigation, it is realized, though, that the one difficulty is that all engineering projects designed for the development of St. Lawrence power have assumed the construction of channels and locks for ocean-going vessels.

The Five Big Schemes

No less than five large schemes have been worked out for the development of power on the St. Lawrence. Three of them are the result of studies of the engineering staff of the Ontario Hydro-Electric Commission; one was submitted to the International Joint Commission by the New York and Ontario Power Company, and a fifth by Hugh L. Cooper and Company, the engineering firm whose report on the Queenston-Chippawa development, somewhat criticising that project, was suppressed. These schemes may be briefly summarized.

The first scheme submitted by the Ontario Hydro would concentrate the entire available fall of the river at the foot of the Long Sault Rapids where the main dams and power houses would be located. There would also be a control dam further up to regulate the flow from Lake Ontario. The development, it is estimated, would produce about 1,492,000 continuous horsepower at an initial cost of $141,696,192 or $95 per horsepower, which it may be said is not excessive for a power development.

The second scheme of the Ontario Hydro would divide the development into two sections, one at Rapide Plat and the other at the Long Sault Rapids. This, it is estimated, would be capable of producing 1,600,000 h. p. at an initial cost of $154,092,512, or $96 per horsepower.

The third scheme is a modification of the second and would provide, the engineers state, 1,635,000 h.p. at a cost of $154,925,415, or $95 per h. p. There are advantages and disadvantages to each scheme and the Hydro engineers have not pronounced in favor of any of the three. A difficulty, it may be pointed out, in dealing with the estimates of cost is that they all presume the navigation development of the river and the total cost of the projects is greatly in excess of the sums mentioned, which are only the amounts properly chargeable to the power portion of the works.

A Private Firm's Scheme

The New York and Ontario Power Corporation proposes a scheme, which from the standpoint of initial cost seems to be vastly in advance of any of the Hydro-electric Commission recommendations. It proposes a double development with a power house at Barnhart Island and another at Morrisburg. This would produce 1,655,000 primary horsepower at a cost of $103,893,525, in addition to a sum chargeable to navigation. This figures out at about $63 per horsepower. It is understood that the New York and Ontario Power Corporation, in which private Canadian interests are heavily interested, intends to go ahead with a smaller development on the Canadian side at Morrisburg, entire American side, to produce 30,000 horsepower but so constructed that the foundations of its dam can later be used to support a larger scheme, if later on international co-operation makes the further development practicable.

Col. Hugh L. Cooper's scheme is the most enterprising of all and is primarily built around the power end. He would control the St. Lawrence by a series of five dams, which would have a total cost of $1,450,000,000 of which $1,300,000,000 would be charged to power and which would develop 6,625,000 h.p. This figure would only be reached over a term of years, for Col. Cooper suggests that only one development be proceeded with at a time. The first unit would be at Cat Island, would cost $200,000,000—which is not divided between power and navigation—and would produce roughly 1,000,000 h.p.

Now Up to the Government

These, then, are the broad details of the various schemes that have been submitted for the development of power on the St. Lawrence. Whether any of them are practical without complete development of the St. Lawrence for navigation, is open to determination by those who will further study the question. The main fact of the moment is that private capital is ready to develop the St. Lawrence in a minor way, leaving open the question of increasing developments as time goes on. It is now up to the governments concerned; Ontario, Canada and the United States.

Perhaps some further elaboration of the possible market for St. Lawrence power might be added. It has been pointed out that the United States would have to absorb most of the load. Canada would be an exporter of power for many years. Within 300 miles of the St. Lawrence there is now installed in the United States 9,900,000 h.p.; and in Canada 1,900,000 h.p. The estimated demand in 1930 on the United States is 12,500,000 h.p., and on the Canadian side 2,875,000 h.p., a total increase of 3,375,000 h.p. in requirements. This does not make full allowance for the development of the so-called super power system which would market St. Lawrence power beyond the 300 mile radius, in fact from Maine to Virginia.

This in the opinion of the Director of the United States Geological Survey indicates "that the demand for power in New York and New England would take care of all the power that might be developed on the St. Lawrence as soon as it was made available for utilization." The power of course has to compete with steam-generated electrical energy. Based on the estimates of the Ontario-Hydro-Electric Commission engineers as to the cost of the St. Lawrence power, these of course, are only tentative estimates. Power could be delivered in New York City for about $23 to $30 per horsepower per year. Cost of steam-generated electrical energy in New York is given as $60 per year.

Whether improvement for navigation of the St. Lawrence is gone ahead with, power developments on the river are certain to receive much study; in fact are now very much to the fore. The problems of financing are for bankers; the problems of construction are for engineers; the problems of absorption of the energy produced are for industrial leaders on both sides of the line. From a national viewpoint the most important needs are to avoid such insanity in the development as has characterized some other power developments, and to protect Canadian interests by reasonable terms for the exportation of any power developed.

Invasion of Cheap German Products Put Kingston Firm Out of Business

The Kingston Standard, taking up a recent article of THE FINANCIAL POST, dealing with phases of the Germans' world-wide industrial drive, cites how the invasion of German cutlery had driven a Kingston manufacturer out of business. The depreciation of German currency played an important part in this.

The Standard's editorial follows:—

The question was asked recently in these columns as to whether Canadians are awake to the competition which the Huns are putting up not only in this country, but all over the world, and we said it is only necessary for anyone to glance through the Commercial Intelligence Journal published by the Department of Trade and Commerce to see how this is growing.

As to the world competition by the Huns we quoted an instance given by THE FINANCIAL POST. It pointed out that it was thought the loss of potash mines in Alsace would kill Germany as a great producer, but in 1922 the German potash production exceeded the pre-war record by 183,000 tons.

Unfortunately, since then a concrete instance of what Hun competition means can be given here in Kingston in connection with the Canada Cutlery Company. While dealing with the report of the Industries Committee, City Clerk Sands pointed out that the company went out of business because of the fact that the Germans could lay down cutlery in Canada much cheaper than Mr. Eaton could manufacture them, and thus was unable to operate. The depreciation of the German mark was what really drove him out of business. Mr. Eaton lost everything he had, and is leaving with absolutely nothing.

There is proof positive of what is taking place, and it is a warning to Canada. It is not to be assumed that this need be a solitary instance of what Hun competition is, and no doubt our readers have noticed that Canadian trade with the Huns is increasing. As that is so, what can Canada expect as time goes on, and the Huns with their long years of experience of pushing trade all over the world with their unscrupulous trade tricks, and their cheap labor, obtain more and more hold. As THE FINANCIAL POST said: "They lay 100 bricks while Canadians lay 25, and we Canadians, producers and workmen, will have to give and do the best that is in us or we can't compete with Germany and other European countries when things become more normal."

In other words if Canada does not pay keen attention to what the Huns are doing, and take steps to meet their competition, it will be the reverse of the Great War; the Canadians beat the Huns then: in the future it may be a case of the Huns beating Canadians in the Trade War.

Personals

J. D. ROBERTS, who has been associated with the Northwestern Life Assurance Company for some years as District Inspector, has now been promoted to the position of Superintendent of Agencies, succeeding Mr. J. O. Turnbull, who has been appointed to a higher executive position.

FRANK ALLISTER MURRAY, a Canadian, and for some years Western Editor of the Wall Street Journal, with headquarters at Chicago, has just died. He was a graduate of Toronto University and entered journalism. He served with the Manitoba Free Press and later for six years was managing editor of the Wall Street Journal, which post he relinquished on account of ill health. He then went to Chicago to take charge.

WILLIAM HASTIE, who has been appointed manager of the newly formed investment department of the Canada Life Insurance Company in Montreal, has had a thorough banking experience. He has been with the Bank of Commerce for 16 years, 13 of which were spent in Western Canada, including five years as assistant inspector of these provinces. For the past three years he has been assistant manager of the Montreal office of the bank. He has built up a reputation for soundness in connection with financial matters.

G. D NEWHOUSE, for the last three years identified with the British American Bond Co., of Victoria B.C., has been named associate manager with Major Christie, late Victoria manager of the Union Bank of Canada, of the Victoria branch of the Royal Financial Corporation, Ltd. Mr. Newhouse is well and favorably known on the coast as one of the progressive young business men. He served with distinction overseas in the Flying Corps during the war. He is a son of Edgar L. Newhouse, first vice-president and chairman of the board of directors of the American Smelting & Refining Company, of New York, and a nephew of the late Senator McSweeney, who for a quarter of a century was in the Senate of Ottawa, from Moncton, New Brunswick.

FRED C. OWENS, formerly manager of the Barry Supply Company, hardware dealers, St. John, N.B., died suddenly in East St. John recently. He has been engaged in hardware business since his youth, his uncle, the late M. J. Barry, having been his employer. After Mr. Barry's death, Mr. Owens continued the business. John Owens, a brother of Fred C. Owens, died two years ago. For some years Fred C. Owens was secretary of the New Brunswick Hardware Dealers' Association. He was a bachelor, and was the surviving member of his family, his father having died some years ago. His mother died three years ago. For about ten years the Barry Supply Company conducted a hardware store on Dock Street in St. John, and also had a branch store on Prince Edward Street for about a year, but for the past two years the business of the firm had been transacted from an office in St. John.

STUYVESANT FISH, who for years has ranked as one of the outstanding figures in U. S. railway presidential circles and financial houses, dropped dead recently as he was entering a meeting of the directors of the National Park Bank. Mr. Fish was 71 years of age and a son of Hamilton Fish, former Governor of New York. The family has been prominent in New York since 1659. Two of them have been Governors of New York. One of them was numbered among General Washington's chief aides. After graduation from Columbia Stuyvesant Fish started his career as a clerk in the Illinois Central and later entered the banking business and was sent to London to represent the house of Morton Bliss & Co. Then his rise to railroad and financial power came fast. He was associated with several roads until he became president of the Illinois Central. Then E. A. Harriman and his Union Pacific came along and wanted Fish's road. It was a long battle which Fish lost. Then Fish turned to the Missouri Pacific, one of the Gould lines. The same interests that took control of the Illinois Central also ousted Fish from the Mutual Life Co., of which he was a trustee as well as of the New York Life and Trust Co., American Surety Co., director of National Park Bank and many railroads. He was also a director of the Union Bank of Canada. Mr. Fish's most recent activity was in opposition to prohibition, in which cause he made speeches and wrote many letters. This brought him into direct conflict with Bishop Manning.

The Milling Industry in Canada

The milling industry is one of the basic industries upon which the prosperity of Canada depends.

Canada is the greatest wheat exporting nation. Wheat production has increased from 16,700,000 bushels in 1871 to the record of over 399,000,000 in 1922; elevators, from 525 in 1901 to 3,924 in 1922.

The milling industry has grown with the increased production of wheat, and occupies a dominant position. It is one of the leading industries of Canada, if, indeed, it is not the leader, from the standpoint of the value of products, which amounted to $239,255,461 in 1920 and to $262,763,392 in 1919.

Circular on the Milling Industry, giving brief comments on some of the leading companies, on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

McCLARY MANUFACTURING

H. S., Winnipeg—Are there any shares or bonds on the market of the McClary Manufacturing Company?

There are no stocks or bonds of the McClary Manufacturing Company available for purchase. The stock is all closely held. The McClary family owns the whole of it.

CONSOLIDATED SMELTERS

M., Orillia—What is your opinion of Consolidated Smelters?

Consolidated Smelters should come into its own in the near future. The price of its product has been steadily mounting. The general opinion is that the market for non-ferrous metals will get steadily better.

BRAZILIAN

Subscriber, Orillia—I would like your opinion of Brazilian Traction.

Brazilian has a good outlook. The present dividend seems assured. The big speculative feature of this issue is the exchange situation. Every improvement in Brazilian exchange works to the improvement of the situation of the Brazilian stock.

DOMINION CANNERS

Reader, Orillia—Would like your opinion as to whether it is advisable to hold Dominion Canners common and preferred.

Dominion Canners has just figured in a large amalgamation of some twenty odd other canning concerns. There has been a material appreciation in the stock market price of this issue.

WEST TREE

Reader, Westport.—Would be greatly obliged if you would give me your opinion of West Tree as a speculation for a long hold.

West Tree is more or less tied up in litigation. There is also some dispute on between other high officials of the company. There is also a proposal to make a material increase in the capitalization. In the meantime, a plant is being taken into the property at Shining Tree. A portion of the holdings of this company are of real merit. However, considering the position of the company and the disputes which are on, you would be advised to look to some other property not tied up in so much trouble, which will be as good a speculation as the West Tree.

PORCUPINE KEORA

Enquirer, Westport.—Would like your opinion of Porcupine Keora as a speculation for a long hold.

Porcupine Keora is a speculation of merit. There has been some criticism of this company which is principally unfounded. Reports of this property made by reputable mining engineers indicate that it has a chance to make a big mine. Operations are soon to resume.

EASTERN MINING

Subscriber, Chesley—If you can give me some information regarding the Eastern Mining and Milling same will be appreciated.

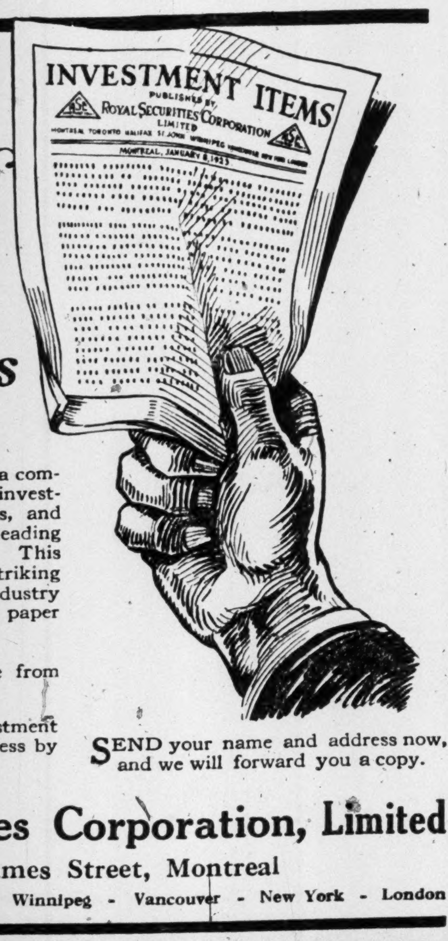
Eastern Mining and Milling is developing a copper mine at Eastern Quebec and the Sterling Zinc Mine at Sterling, Cape Breton. It is capitalized at $1,500,000 with $1 shares. F. M. McConnal is president. The office is at 8 Wellington St. East, Toronto.

MONETA MINES

Subscriber, Ontario.—Would like your opinion of Moneta Mines.

Moneta is very favorably located to the West of Hollinger mine. In fact, the strike of many of the veins of the Hollinger is towards the Moneta property. For several years past this company has been the subject of many rumors which have had more or less effect on the market price of the issue. Just at the present time one of these rumors is working at its height with the result that stock has reached a level not recorded for some years back. This rumor is to the effect that certain financial interests are negotiating for control of the property. We are unable to say whether there is any truth in the report or not. The proposition is a good speculation, the only point to decide is: whether or not you may not be able to buy the issue cheaper in a short while. This has been the experience with this issue in the past, but, of course, it may not work out again.

This will give you a grasp of financial and business conditions


INVESTMENT ITEMS
PUBLISHED BY ROYAL SECURITIES CORPORATION LIMITED
MONTREAL, JANUARY 8, 1923

"INVESTMENT ITEMS" is a complete review of Canadian investment and business conditions, and commodity markets, written by leading authorities on each subject. This month's issue contains a striking article on the Sulphite Pulp Industry and every owner of pulp and paper securities should read it.

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Investing Five Thousand Dollars to Get a Return of Seven Per Cent

A subscriber to THE FINANCIAL POST writes asking us to recommend desirable investments for $5,000 to return, if possible, 7 per cent. or over, spread possibly over four or five different securities.

We have asked investment houses for suggestions in framing a reply. Such enquiries are interesting because they are typical of problems being considered by hundreds of our readers. In a recent issue we compared the present price of a number of securities with the prices prevailing when recommendations were made on the basis of information secured from a query of this kind some months ago.

Wm. C. Brent & Co., Ltd.

To return 7% or over spread over five different securities we would recommend the following:

$1,000 King Edward Hotel, Toronto, paying over 8%.
$1,000 Mount Royal Hotel, Montreal, paying over 8%.
$1,000 Ruddy Manufacturing Co., Brantford, paying over 8%.
$1,000 Drummond Investment Co., Montreal, paying nearly 7%.
$1,000 Consumers' Gas Co., Toronto, paying about 6½%.

Burnet & Co., Montreal

We would suggest the following securities in this connection—at present market prices:

Spanish River Pulp & Paper 7% Preferred.
Illinois Traction 6% Preferred.
Wayagamack Pulp & Paper 6% Preferred.
Dominion Steel Corp'n. 6% Preferred.
Howard Smith Paper 8% Preferred.
Asbestos Corp'n. 7% Preferred.

F. H. Deacon & Co., Toronto

The advance in security prices has placed most of the higher grade investments below at 7% yield but there still are industrial preferred shares of long standing which can be bought to give this return. Among these, we would recommend:

	1922 Earnings	Div.	Price	Yield
American Sales Book	17.48%	7%	93	7.55%
Bird & Son	20.62%	7%	95	7.37%
†Goodyear Tire & Rubber Co.	19.01%	7%	93	7.50%
Monarch Knitting Co.	15.53%	7%	83	8.40%
Porto Rico Railways	27.44%	7%	80	8.75%
*Rogers Limited, Wm. A.	10.34%	7%	93	7.55%
Winnipeg Electric Ry. Co.	24.47%	7%	86	8.13%

† 12½% Back dividends still unpaid.
* 7% Back dividends still unpaid.

These companies are all reporting a substantial margin of safety over and above their preferred dividend and as we are apparently entering into more prosperous times, there is every reason to consider their dividends as being well secured.

Duncanson, How & Co., Toronto

We give a list of five Preferred stocks, which we would recommend as desirable investments. You will note that the average yield is well over 7% and from our knowledge of the affairs of the companies and their future prospects, we feel quite safe in recommending them highly.

Canada Bread Preferred—Dividend rate 7%; Price	$ 95
Steel of Canada Preferred—Dividend rate 7%; Price	101⅛
Winnipeg Electric Railway Preferred—Dividend rate 7%; Price	86
Maple Leaf Milling Co. Preferred—Dividend rate 7%; Price	101
Canadian Locomotive Co. Preferred—Dividend rate 7%; Price ..	97

Dyment, Anderson & Co., Toronto

The $5,000 being invested with an equal amount in each, at present prices, would yield approximately 7%.

Bell Telephone common, yielding about	6.70%
Canada Cement preferred, yielding about	6.80%
Steel of Canada preferred, yielding about	7 %
Canada Bread preferred, yielding about	7.40%

All of these companies have good records as dividend earners, are basic industries, and appear to be well managed.

Hanson Bros., Montreal

Investment conditions are such now that it is practically impossible to obtain a first mortgage bond to return a 7% yield, and at the same time have gilt-edged security behind it. We therefore suggest that the amount be divided between sound bonds, and high grade preference stocks. We therefore suggest the following:

$1,000.—Manitoba Power Company, Limited, 7% First Mortgage Bonds, at 102, to yield about 6.80%, protected by the guarantee of the Winnipeg Electric Railway.

$1,000.—Drummond Investment Company, Limited, 6½% First Mortgage Bonds, at 99, to yield 6.60%.

$1,000.—Bay Sulphite Company, Limited, 6½% First Mortgage Bonds, at 97¾, to yield about 6.70%.

In order to obtain the 7% yield, we would suggest that ten shares each be bought of any of the following preferred stocks:

Asbestos Corporation of Canada, paying 7%, selling at about 90, to yield 7.77%. In addition to this the stock is participating, and has an equity in a very large accumulated surplus.

St. Lawrence Flour Mills, Limited 7% Preferred Stock, at 93, to yield about 7.53%.

An extremely strong stock is that of the National Breweries, Limited. At 92 the yield is about 7.61%. The assets behind this stock, and the great earning power of the company, render it a very sound investment.

A combination of investments such as outlined above will yield about 7.06%, and in our opinion is absolutely sound.

Lyon & Plummer, Toronto

We would suggest the following stocks as conservative investments:

Canada Bread Company 7% Cumulative Preferred at	95
Maple Leaf Milling 7% Cumulative Preferred at	101½
Provincial Paper Mills 7% Cumulative Preferred at	97
Bell Telephone Company 8% at	120

W. A. Mackenzie & Co., Limited, Toronto

We suggest the following investments for your client who has $5,000 to place in investments to return 7% or more:

	Approx. Price	Approx. Yield
Whalen Pulp & Paper Co. (1st Mtge.) 6%, due May 1, 1931 ..	90.17	7.25%
Border Cities Hotel Co. (1st Mtge.) 7½%, due Sept 1, 1941 ..	105.21	7.00%
Spanish River P. & P. Gen. Mtge. 8%, March 1, 1941	109.05	7.10%
King Edward Hotel (2nd Mtge.) 7%, April 1, 1933	90.00	8.50%
Northern Ontario Light & Power (1st Mtge) 6%, April 1, 1931	93.37	7.10%
Union Bank—present market	136.00	7.29%

Preferred Stocks	Price	Yield
Canada Bread	95	7.37%
Asbestos Corp'n.	90	7 ⅞%
Provincial Paper	97	7.22%
Hillcrest Collieries ..	90	7 ⅞%
Sherwin-Williams	100	7.00%
King Ed. Con.	95	8.40%

Common Stock	Price	Yield
Brazilian	50	8

The above securities should be considered entirely on their respective merits. They can be recommended with the reservation that your client cannot expect to get in the above all the advantages of the more conservative high-grade securities, namely maximum of safety, interest return and salability.

R. C. Mathews & Co., Toronto

We believe that your subscriber would be well advised to spread his $5,000 over five high grade corporation bonds. We give a possible selection below of securities which in each case are well and favorably known. The yield on the entire investment is 6.65%. Your subscriber will be better advised to place his funds in first mortgage or general mortgage bonds issued by the better class of corporations than to purchase securities of lower rank in the endeavor to secure the desired 7%.

$1,000.—Wayagamack Pulp & Paper Co., Ltd., 6% Bonds at 86.17 and accrued interest, 7.15%.

$1,000.—Fraser Companies, Limited, 8% Bonds, at 108 and accrued interest, 7.25%.

$1,000.—Charles Walmsley & Co. (Canada) Ltd., Guaranteed by the Sir W. C. Armstrong, Whitworth & Co., of England, 6% Bonds at 97.25 and accrued interest, 6.25%.

$1,000.—Provincial Paper Mills, Ltd., 6% Bonds, at 100.00 and accrued interest, 6.00%.

$1,000.—Drummond Investment Co., Ltd., 6½% Bonds at 99 and accrued interest, 6.60%.

A. D. Morrow & Co., Toronto

There are no municipal bonds that we could suggest that would yield 7%, and in fact it is hard to get many stocks that yield such a price consistent with safety. However, we have picked out some stocks as follows that would, we think average about 7%, which are beyond doubt good and should increase in value. They also have a liquid market.

Robert Simpson 6% preferred at 89 yielding	6-2/3%
Winnipeg Electric Railway, 7% at 86 yielding	8.15%
Canada Bread 7% preferred at 95 yielding	7-3/8%
Consumers Gas 10% at 154.50 yielding	6.40%
Bell Telephone Co. 8% at 120 yielding	6-2/4%

There are a few industrial bonds which you could get to yield 6½%-7%, but the above are more liquid, sound, and a better chance to increase in value.

Consumers' Gas, for example, has paid 10% for 57 years and has had a perpetual dividend record for 72 years. If we are not mistaken Bell Telephone has paid 8% for 32 years, and stocks like the Bell Telephone and Consumers' Gas appeal to us more than a great many of the smaller municipal issues selling to yield 5½%.

Osler & Hammond, Toronto

Seven per cent. is of course, fairly high, but we do not think anyone can go far wrong in investing in any of the following:

Name of Security	Rate of Dividend	Present Price	Yield at Present Price
Steel Co. of Canada preferred stock	7%	101	6.93%
Bell Telephone Co. of Canada stock	8%	120	6.66%
Winnipeg Electric Ry. preferred	7%	86	8.13%
Canada Bread Co. preferred stock	7%	95	7.36%
Maple Leaf Milling Co. preferred	7%	100	7 %

United Financial Corporation, Limited, Toronto

Investments yielding 7% or over are very scarce at present. In order to obtain a reasonable return on an investment, it is necessary to go into the industrial field.

Below are offerings of three bonds that have been handled by this company, and all of which we highly recommend as safe investments. There is only one of them yielding 7% or over, viz:

Fraser Companies, Limited, 7% General Mortgage Gold Bonds, Series "A" due 1st March, 1941. Price about 106½ and interest, yielding 7.35%.

Provincial Paper Mills, Limited, 6% First Mortgage Gold Bonds due 1st May, 1940. Price about 100 and interest, yielding 6%.

Dominion Textile Company, Limited, 6% First & Refunding Mortgage Gold Bonds, due 1st September, 1949. Price about 101 and interest, yielding 5.92%.

Watt & Watt, Toronto

It appears to us to be a difficult thing, at the present time, to get a purely investment list covering five items to yield 7%. It would seem necessary to include the element of speculation—hence the above:

$1,000 Dominion of Canada, 5½% Victory Bond due 1st November, 1934 at 103.25	$1,032.50	dividend	$ 55
$1,000 Canadian Locomotive, 6% Bond, due 1st July 1951 at 98.25	982.50	dividend	60
15 Mackay 4% preferred at 68.50	1,027.50	dividend	60
10 Canada Bread 7% preferred at 94.75	947.50	dividend	70
25 Dome Mines at 44	1,100.00	dividend	100
	$5,090.00		$345

Canadian Locomotive Bond is a first class industrial bond yielding 6% over a long term of years. It is understood that their cash reserves are sufficient to wipe out the entire bonded indebtedness.

Mackay Preferred is looked upon as being practically as good as a bond, as the company has no bonded indebtedness whatever. The company is in a very strong financial position and it is thought quite likely that some day the preferred stock will be retired—the retiring figure is $106.

Some exception, possibly, will be taken to the inclusion of Dome Mines in the investment class. This has been done deliberately, partly to sweeten the investment so as to give a yield of nearly 7% and partly for purpose of possible appreciation of capital over a term of years. Many brokers consider Dome and Hollinger as being out of the speculative class.

CURRENT OPINIONS

NO MORE BANK FIGUREHEADS

Guelph Mercury

If the Dominion Parliament accepts, as an amendment of the Bank Act, the proposal of Finance Minister Fielding regarding the personal responsibility of bank officials, there will be fewer bank failures in the future than there have been in the past. His suggestion to Parliament is that all official returns sent in by any bank to the Minister of Finance "shall be deemed to have been prepared, approved of, and concurred in by the persons severally who have signed the same." If this requirement had been in existence during the last decennial bank charter period, the entirely inexcusable and disastrous failure of the Merchants Bank would have been visited with adequate retribution on the men in authority who were morally responsible for the discreditable incident.

If our banking system is to be made safe for shareholders and depositors, then provision identical with, or similar to that above outlined, must be made sooner or later by Parliament, and the best time to make it is now. Experience has amply proven the necessity for it, and it inflicts no hardship on anyone who desires to fill a lucrative but responsible position. Our chartered banks are parts of an interlocking system, and success depends on the various parts of that system being absolutely faithful to the public and to each other. Evidently, Mr. Fielding may be trusted to see that the charter conditions are made as secure as human ingenuity can make them.

WHO FINANCED HYDRO?

London Advertiser

Ontario Municipal Electric Association in session at Hamilton, has placed itself on record as favoring steps that would relieve the provincial government of all responsibility in the matter. The plan favored would be for the municipalities concerned to assume all obligations.

Municipalities should not forget that all hydro-power debentures have been sold as Province of Ontario securities, with the credit of the province back of the sale. Were these bonds put up for sale as municipal securities, or as securities backed collectively by a number of municipalities, it is doubtful if there would be a ready market, and it is certain that a higher rate would have to be paid. It is quite true that Ontario municipalities are solvent, but it is true also that many of them are not very far from the limit of their borrowing powers, and in some cases assessments have been increased in order to extend these borrowing powers.

It is neither fair nor advisable for the municipalities to forget that the credit of the whole province was behind the work in securing the millions necessary to bring the undertaking to the point of commercial success. The municipalities themselves could not have done it.

It is well also to remember that the credit of the farmers of the province, who so far have received practically no use of hydro power or light, and the credit of villages and towns that are far removed from any power supply, was all behind the movement. The municipalities that have benefited owe a debt of gratitude to all these unseen favorable forces.

DEAL NEAR NIGHT HAWK

English capital has become interested in the Dan O'Connor property, adjacent to Night Hawk Peninsular.

Drummond Apartment Bonds

to yield over 6.60%

The Drummond Apartments, in the permanent centre of Montreal, will take rank as the largest building of the kind.

Land and buildings at outset will represent values of $2000 for every $1000 bond. Security will be steadily increased by sinking fund.

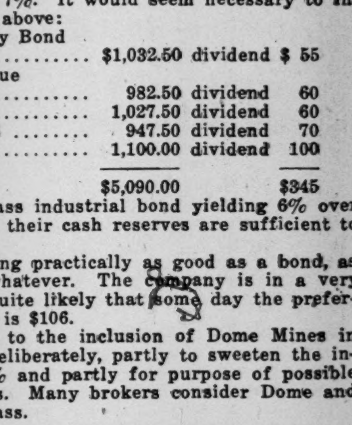
We recommend these 6½% First Mortgage Gold Bonds maturing in 15 years, at 99 and accrued interest.

Interest is paid by coupons and the securities have a ready marketability.

Write for Prospectus 4

Greenshields & Co.

Dealers in Canadian Bond Issues
Members Montreal Stock Exchange
Montreal: 17 St. John Street and Mount Royal Hotel
Toronto: 14 King Street East
Ottawa: Central Chambers



Let This Booklet Guide You in Making Your Income Tax Return.

It has been compiled by a recognized authority, and includes the amendments to the Income Tax Act enacted during 1922, and has been altered to meet the recent rulings of the Income Tax Department.

A copy will be forwarded on request.

Ask for Booklet No. H 4

Canadian Debentures Corporation Limited
Established 1910
36 KING ST. EAST TORONTO

Arrange Now to Reinvest

If you have bond interest, dividends or other payments due on May 1st, we suggest that you plan now for reinvestment. By doing so, you will be able to choose from the attractive selection of bonds that we can now offer. It will also enable you to invest your new funds without loss of time and interest.

Write for a copy of our latest list.

Wood, Gundy & Company

Toronto
Winnipeg
London, Ont.

36 King Street West
Toronto
Telephone: Main 4280

Montreal
New York
London, Eng.

United Financial Corporation
LIMITED

Directors:
SIR CHARLES GORDON..........President
A. J. BROWN, K.C...........Vice-President
CHARLES F. BATCHELDER.Vice-President
MAJOR H. B. MacDOUGALL.Vice-President
ROBERT ADAIR — C. R. HOSMER
W. A. BLACK — WM. McMASTER
GEORGE CHAHOON, JR. — CHARLES MEREDITH
A. E. HOLT — F. W. MOLSON
SIR HERBERT HOLT — HON. SMEATON WHITE
A. P. B. WILLIAMS, Secretary-Treasurer.

Information regarding securities gladly furnished. Correspondence invited.

14 KING ST. E., - TORONTO
MONTREAL OTTAWA LONDON, ENG.

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WINNIPEG

OFFICES TO RENT
IN
THE DOMINION BANK
BUILDING
Corner of King and Yonge Streets

The Location's the Thing

The Drummond Apartments—the present building and the building about to be erected—are located on Drummond Street, midway between St. Catherine and Sherbrooke Streets.

Half a block distant is the Ritz-Carlton. Two short blocks east is the new Mount Royal Hotel. Five minutes' walk to the northeast is McGill University. Within a stone's throw are some of Montreal's leading uptown clubs, and scores of its most magnificent homes—homes of the massive stone construction which pass down from generation to generation of Montreal families. Each decade but serves to enhance the dignity and traditions of such homes and such locations.

The demand for apartments in this congenial atmosphere has overwhelmed the present Drummond Apartments so that accommodation in these Apartments is being trebled by the erection of a new building immediately adjacent to the present building, which will make the property the largest Apartment Building in the British Empire. Already many applications have been received for apartments in the new building.

We offer the First Mortgage 6½% Bonds of The Drummond Investment Company, Limited, maturing May 1, 1938. The Bond Issue is for less than half the value of property which has already firmly established its earning power, and which cannot but increase in value with the growth of the city.

Price: 99 and interest, yielding 6.60%

WRITE FOR CIRCULAR.

McLEOD, YOUNG, WEIR & Co.
Limited
TORONTO 23 JORDAN ST. — MONTREAL 40 HOSPITAL ST.

NEWS AND VIEWS ABOUT BONDS

SCARCITY OF BONDS BRINGS HIGH BIDS ON NEW OFFERINGS

Softness in New York Not Reflected in Canadian Market

The heavy accumulations of funds in the hands of institutions and private investors and the extreme scarcity of new issues have forced the bond market to slightly higher levels. While the improvement in industry in the United States, amounting to almost a boom, has been sufficient to induce softness in the New York bond market, no such effects are noticeable in Canada. Business conditions are reported to be better but no improvement on the scale of that taking place in the United States is noticeable. Moreover, money has been accumulating steadily in Canada since the slump in the latter part of 1920 and it is so plentiful that a great improvement in business, at the lower level of prices, would have to be registered before the business requirements of funds would seriously affect the bond market. In addition, the indications are that considerable money from the United Kingdom may seek investment here in the near future. The interest rate on mortgages has not come down to any great extent but lenders are competing strenuously for loans at 7 per cent. and even 6½ per cent. on good security.

The floating supply of bonds is very low and no large issues are as yet in sight. While it is doubtful if the scarcity can force prices to higher levels, the money from interest payments and dividends on May 1st will make selling at present prices easy. One large industrial bond issue floated this week is reported to have been sold readily in large blocks to institutions and a block of common stock of a well-known public utility company was sold by open tender to a mortgage company.

The bids on the issues sold during the week were high in comparison with former prices and indicate the continued desire of the dealers to secure new issues.

The $700,000 bond issue of the Roman Catholic Board of School Commissioners of the city of Quebec was awarded to the National City Co. The bonds mature in 37 years and four alternative bids were called on the basis of interest rates of 5 or 5½ per cent. for straight term or serial bonds. The price quoted at 96.897 for the 5 per cent. 30-year straight term alternative was accepted by the commission, and on this basis the money is costing approximately 5.19 per cent.

The bids were:

National City Co.	96.897
Wood, Gundy & Co.	96.59
A. E. Ames & Co.	95.899
Dominion Securities Corp.	95.79
R. C. Matthews & Co., Rene T. Leclerc	95.451
McLeod, Young, Weir & Co.	95.43

The school district of Verdun, P. Q., sold an issue of $250,000 40-year 5½ per cent. bonds to McLeod, Young, Weir & Co. at 101.36. The bids were:

McLeod, Young, Weir & Co.	101.36
Rene T. Leclerc	101.15
A. E. Ames & Co.	100.29
L. G. Beaubien & Co., Dominion Securities Corp.	99.97
Bell, Gouinlock & Co.	99.87
Municipal Debentures Corp.	99.87
Credit Canadien	99.69
Versailles, Vidricaire	99.51
Beausoleil & Co.	99.27

Several blocks of City of North Vancouver bonds, aggregating $88,000, of various maturities and interest rates, were awarded to the Royal Financial Corp. at 100.17. The issue comprised $12,000 5½ per cent. bonds, due 1942; $9,000, 5½ per cent., due 1932; and $67,000, 6 per cent., due 1948.

The tenders submitted were:

	1932	1942	1948
Royal Fin. Corp.	95.367	94.113	100.173
B. A. Bond Corp.	93.99	93.59	99.55
Waghorn, Gwynn & Co.	97.23	95.46	99.
A. E. Ames & Co.	95.03	93.32	98.55
Can. Financiers	94.42	93.37	98.
Gillespie, Hart & Todd	95.32	93.66	98.95
D. M. Sullivan	94.23	92.40	98.15

A town of Brampton bond issue commanded a good price when offered to dealers recently. The issue was for $65,000, repayable in 30 annual instalments, and alternative tenders were called on the basis of interest rates at 5 and 5½ per cent. A. E. Ames & Co. submitted the high bid on the latter alternative at 102.17, a cost basis of 5.29 per cent. The proceeds of the issue will be used for the erection of a new public school. Bids were as follows:

	5½%	5%
A. E. Ames & Co.	102.17	96.77
Wood, Gundy & Co.	101.43	96.016
C. H. Burgess & Co.	101.31	95.71
R. C. Matthews & Co.	100.741	95.376
Dom. Securities Corp.	100.55	95.02
A. Jarvis & Co.		95.91

The Lachine, Que., School Commission $12,000 5½-40 year issue was awarded to Municipal Debenture Corporation at 100.27. The bids were:

Municipal Debentures Corp.	100.27
Rene T. Leclerc	99.75
L. G. Beaubien & Co.	99.55
Credit Canadien	99.25
A. E. Ames & Co.	98.77
Versailles Vidricaire & Co.	98.56

Dairying Is Making Progress on Prairies

EDMONTON.—Dairying is making steady progress all over the province, and the prospect is that the export butter production will go over the present record of 15,000,000 pounds. Great Britain and the Orient are proving to be excellent markets for Alberta butter, which has made a first-class reputation both at home and abroad, and there appears to be a general disposition on all sides to develop the industry, in view of these market opportunities, as fully and rapidly as possible.

American Bond Sales For Month of March

The following table, compiled by The Daily Bond Buyer of New York, shows the sales of long-term State and municipal bonds in the United States in March and the three months ended March 31st for ten years:

	March	Three Mos. End. Mar. 31
1923	$69,758,008	$246,096,065
1922	125,902,650	292,684,201
1921	63,998,136	211,543,171
1920	70,160,536	195,665,600
1919	57,125,023	102,965,223
1918	26,267,477	68,005,272
1917	35,325,126	996,580,068
1916	33,123,378	120,449,498
1915	68,230,533	139,207,498
1914	43,743,711	154,758,324

OFFER WOODS MFG. CO. BONDS TO YIELD 6⅛%

Objections Raised to Issue But Shareholders Gave Necessary Authority

From Our Own Correspondent.

MONTREAL.—An issue of $1,000,000 of 6% twenty-year bonds of Woods Manufacturing Company, offered this week, was rapidly taken up. The yield to the investor was 6⅛ per cent. and the excellent reception given the issue is indicative of the strong market for good industrial bonds that has developed in Canada.

The issue was authorized by shareholders on Tuesday. Frank P. Jones, who is a preferred stockholder, raised objection to the issue. He criticized the company for having continued to pay common dividends. This, he said, had depleted the liquid resources of the company to such an extent that it was now necessary to borrow money to provide working capital. Concerning this objection it has been pointed out to THE FINANCIAL POST that the million dollars now being borrowed does not represent any replacement in working capital of funds that had been paid out in dividends. About $300,000 of the issue pays off bonds at present outstanding and the remainder largely represents money that has been put into capital extensions out of earnings.

The bonds, of which $2,000,000 are authorized, but only $1,000,000 issued, are a first mortgage on net tangible assets valued at $4,476,097. Earnings have averaged over the past seven years nearly nine times annual interest charges on this issue and last year were over 7 times interest requirements.

An interesting provision in the trust deed provides that the company shall always provide net current assets to an amount 50 per cent in advance of the total bonds outstanding.

Westmount and Outremont Issue Fiscal Reports

From Our Own Correspondent.

MONTREAL.—Financial reports of two Island of Montreal municipalities became available this week. The city of Outremont shows bonded indebtedness of $3,600,000 at October 31, 1922. Sinking fund accumulated totals $405,797. Population is 14,500 and property assessable to general tax $25,296,108 out of a total assessment of $31,261,418.

City of Westmount shows issued debentures of $4,877,667 and sinking fund of $1,290,851. Population is 19,000 and assessed value for taxation $50,082,850.

Bond Interest of Island of Montreal Towns Met

From Our Own Correspondent.

MONTREAL.—Some time ago an investor questioned the position of bonds of Montreal North when he learned of the financial difficulties of the community. What he did not fully appreciate was the fact that under the present municipal arrangement prevailing on Montreal Island, the Metropolitan Commission has practically guaranteed the bonds of Montreal North. Figures became available this week giving an idea of the extent of the aid granted this municipality and some others. During 1922 the Metropolitan Commission disbursed $1,343,666 on account of four municipalities, as follow:

Laval de Montreal	$69,012
Montreal North	294,306
Pointe aux Trembles	514,618
St. Michel	465,728

These sums will eventually be repaid from tax arrears but in the meantime will be financed by a loan of the Metropolitan Commission. Interest coupons and other debenture payments of the towns are being met by the Metropolitan Commission.

TORONTO TO BUY BACK DEBENTURES BEFORE MATURITY

Private Bills Committee of Legislature Agrees to Extend Powers

A bill, introduced into the Ontario Legislature by Jos. Thompson, M.P.P., to empower the Toronto city council to make agreements with persons, firms, or companies, for the purchase before maturity of outstanding debentures of the city, has been approved by the private bills committee. The price is not to exceed that fixed by the city council and it is proposed that the bonds be delivered to the city in exchange for general consolidated loan debentures, the latter to be issued for the purpose of raising the money required for the purchase of the other bonds. The debentures so bought would be cancelled and no further taxation would be levied to meet any principal or interest which would have been payable had they not been bought in. The new debentures would not be included in the city's debt in estimating its borrowing powers, until the others had been cancelled.

The bill was strenuously opposed by Attorney-General Raney on the grounds that it was introducing pure speculation. Finance Commissioner Ross has made efforts to obtain this power for some time, the bill being the culmination of his efforts. He states that he knows of a responsible corporation which will undertake the work of buying in the bonds. It is further pointed out that the Dominion and Ontario governments have followed the same plan successfully.

Bond men seem disposed to agree with Commissioner Ross's views. While it is pointed out that an extension of such powers to smaller municipalities, managed by men less experienced in financial affairs, might not be advisable, they agree that there are possibilities of effecting a material saving in the case of large well-managed cities. The fluctuations of exchange, so noticeable in recent years, makes it possible for some issuing bodies to buy back their bonds at attractive prices.

Wayagamack 6% Bonds Move To A New High

From Our Own Correspondent.

MONTREAL.—Wayagamack 6 per cent. first mortgage bonds sold at 86 this week, a new high and 8½ points above the issue price of the block marketed last year. The price movement this year has been as follows:

	High	Low	Sales
January	82½	81¾	$21,700
February	85	81¾	55,100
March	85	84¼	41,200
April	86	85½	7,600

It is stated by Rene T. Leclerc, Inc., that:

"The small turnover of $125,600 in all is evidence of strong distribution. Large blocks have been conspicuous by their absence on the market. Holders are apparently well satisfied to keep their bonds and wait for the full benefit to accrue from favorable developments in the Canadian Kraft, Pulp & Paper industry.

"The good showing made by the company last year, together with the scarcity of seasoned bonds on the market at attractive rates, encouraged the belief that Wayagamack 6's are still cheap and have several steps to go before they reach their true level. The price of 90 would give a 7% yield return to maturity. Such a figure would appear to be a near possibility in view of the recent strength displayed by these bonds."

UNLISTED BONDS

	Bid	Asked
Abitibi Gen Mtge. 6's 1940	96¼	96¾
Algoma Steel 5's 1962	48	50
Amer. Sales Book 6's 1927	97	..
Ash. Hardware 5 p.c. 1928	89	..
Brompton P. & P. 8% 1941	107	109
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1939	80	81½
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe, 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1927	..	45
Harris Abattoir 6's 1928	99	..
H. Smith Paper 7% 1941	101	102
King Ed. Hotel 7's 1933	86	88
K. & S. Tire 7's 1935	79	84
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% Notes	..	96
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Man Power 7's 1941	99	101
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	88	90
Stan Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	..
Whalen Pulp 7% Deb. 1932	61	65
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	..

BOND MOVEMENTS OF THE WEEK

Week Ending April 17

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range 1923 High	Low	Latest Ask	Bid	Price Week High	End Low
Bell Telephone	5	1925	5.10	98	94	100	97¼	100¼	99¼	100	99¾
Can. Bread	6	1941	6.03	99	88½	100	96	100	99	99½	—
Can. Car	6	1939	6.08	101	95	100	99	—	99	99	—
Can. Felt	6	1940	6.23	95¾	91	97½	—	—	97	97½	—
Cons. Rubber	6	1946	5.83	100¾	88	102½	100½	103	102	102	—
Cedar Rapids	5	1953	5.32	97½	93	96½	95	96	94¾	95	—
Dom. Coal	5	1940	5.42	98¼	92	98	92	95½	95	95	—
Montreal Trams	5	1941	5.73	93½	87½	92	89¼	91½	90½	91½	90¼
Ogilvie	6	1932	5.67	102½	100	102½	—	—	102½	102½	—
Penmans	5	1926	6.41	94¾	90	97	93¾	97	95¾	95	—
Quebec Rly.	5	1939	7.50	87¼	63½	78	69	76½	76	76½	75¾
Wabasso	6	1947	6.48	94	89½	94¼	90¾	96	91	94¼	—
Wayagamack	6	1951	7.15	88¾	71¾	86	80½	86	—	86	85½
War Loan	5	1925	4.73	96.30	96.10	100.90	99.10	100.90	100.75	100.90	100.60
Do.	5	1931	4.80	99.90	96.25	101.80	99.80	101.60	101.40	101.55	101.30
Do.	5	1937	4.74	101.50	99.50	103.30	101.25	103.00	102.75	103.00	102.75
Victory	5½	1923	5.03	100.70	98.75	100.95	100.25	100.60	100.45	100.50	100.25
Do.	5½	1924	5.13	100.75	98.00	101.40	100.25	100.80	100.70	100.90	100.50
Do.	5½	1927	4.75	102.70	99.75	103.50	102.35	——	103.30	103.50	103.00
Do.	5½	1933	4.79	104.35	101.25	106.70	104.40	106.05	106.00	106.15	105.80
Do.	5½	1934	5.10	101.45	98.80	103.90	101.30	103.60	103.45	103.50	103.00
Do.	5½	1937	4.75	106.25	103.00	108.40	106.50	108.10	108.00	108.10	107.75
Do., renewal	5½	1927	4.98	101.10	99.40	102.80	101.00	102.50	102.30	102.50	101.50
Do., renewal	5½	1932	5.19	101.10	99.70	103.00	101.00	——	102.40	102.75	101.50

NEW ISSUE—
Woods Manufacturing Company, Limited
First Mortgage
20-Year Sinking Fund
6%
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Descriptive circular on request
Price: 98½ and interest
Yielding 6⅛%
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There is undoubtedly a scarcity of good Bonds. No matter which way one looks at the market this condition becomes increasingly evident, and as far as we are able to judge, there are no immediate prospects of a plentitude.

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CIVIC AND PROVINCIAL FINANCE

RENEWAL RESERVE FUNDS WERE USED TO HIDE DEFICIT

Hydro Methods in Handling Border Railways Condemned

That the practice of the Hydro Electric Commission of Ontario in assuming obligations and adopting procedure without legal authority, expecting that they will be able to secure legislation confirming their action at a later date, is condemned by the Gregory Commission in its report on its investigation into the complaints about the street and radial railways of the Border Cities. The commission also condemns the action of the Hydro Electric Commission in taking the renewal fund to wipe off the operating deficit and creating a surplus. The commission comes to the conclusion that this change was made in order that the fact of there having been a loss on operations might not adversely affect votes upon by-laws about to be taken in other municipalities on similar projects. They also suspect that there was a desire on the part of the commission to avoid adverse criticism by ratepayers in other interested municipalities. Other minor features of the report deal with the question of municipal and provincial taxes on the railway, the high cost of insurance, and, incidentally, the high overhead charged by the Hydro head office. The admission from Sir Adam Beck that too much money may have been paid for the properties is pointed to.

It was in January, 1920, that the commission made the agreement to purchase the two railway lines operating in the border cities from the Detroit United Railway people. This was six months prior to the event of the Hydro Radial Act, and thus the probing commission holds the Hydro acted without legal rights or authority, and brands their action as entirely ultra vires. The commission promises to deal with the question as to whether or not it is advisable for the Hydro Commission to construct, purchase or operate railways, in a later report.

Loss From Operations

The report shows that the net loss in the operating of the railway by the Hydro Commission was $33,558 for a period from April, 1920, to October, 1921. The Hydro Electric Railway Act requires the respective municipalities to pay annually their share of this deficit, if any. It also provides that in the event of the failure of the municipalities to pay, the commission shall thereupon sell or otherwise dispose of such of the debentures of the municipality in question.

The commission in its report says that the Hydro authorities did neither. Instead, they took the renewal reserve, $47,202, applied $33,558 of this to wipe out the deficit, and applied the balance, $13,644, to surplus. The explanation of Chief Engineer Gaby of this action was that they had practically the new road for operation and did not want to charge depreciation during the period of building a new road. The auditors condemned this action on the part of the commission as being improper. The Gregory Commission declare that the effect of this absolute reversal of policy was to relieve the municipality from immediate payment of operating losses.

Would Tax Railways

On the question of taxation, the commission points out that the taxes payable by the railway in 1920, during which year the railways were operated as a private enterprise, totals $6,666. The taxes for the two years, 1921, 1922, amounted to $7,974. This amount is $5,357 less than the private company would have paid. Touching on this phase of the question, the commission says: "There is much to be said in favor of the contention that the law in respect to the question of taxation applicable to privately-owned electric railways should apply to publicly-owned railway systems, especially where, as in the present case, the road is located in a number of municipalities and largely bearing value in each. The commission sees the advantage that if this practice were followed municipalities would thereby be enabled to better determine their position as compared with operations under private ownership, and other municipal corporations would have more complete information when considering the expediency of undertaking similar enterprises. The non-collection by the province in this case of a corporation deprives the province of revenue which it is, or should be, entitled to receive," continues the report, adding: "Whatever may be said for or against the municipal taxation of the railway is no sound reason for the province foregoing its right to tax it."

Another great advantage which a privately-owned system enjoys is that of repairing its roadway. The D. U. R. people used to have to pave the roadway between tracks and for a certain distance at each time. The Hydro Commission is free from such an obligation, and in 1922 the city of Windsor paid $71,158 for paving the streets to the car tracks, and for one foot on each side.

It is also pointed out that the promises of Sir Adam in regard to fares were not kept. The fares had to be increased. Head office administration expenses total $29,661 for the fiscal year 1921. The probing commission believes there should be a reduction in this item of expense. Concluding its report, the Commission suggests that a committee, representing all the municipalities directly interested, should be formed. This committee would convey to the Hydro Commission the views of the municipalities and ratepayers on all questions of operation and administration. The report recommends that full information as to the financial condition of the undertaking and all phases of operation be published regularly. This one point was the subject of quite serious controversy between the railway committee of the Windsor City Council and Sir Adam Beck. For a time it was feared in some quarters that the city of Windsor would withdraw the operation of its portion of the railway from the hands of the commission.

Good Health as Factor in Financing of Municipality

Typhoid Outbreak at Cochrane Could Have Been Prevented by Taking Proper Precautions—Has a Bearing on the Security Behind Municipal Debt

By E. NEWSOME,
Sanitary and Heating Engineer, Weston.

Some five or six weeks ago it was reported that a few people in Cochrane were stricken down with typhoid fever. Two weeks previous to March 21st approximately 125 cases were reported, "and the epidemic is still growing. A great many serious cases are among those down with the disease. No deaths have as yet occurred."

On March 24th reports in the newspapers showed that 300 cases of typhoid were found, still no deaths reported.

On March 31st the figures have soared to 492 cases and "conditions are very serious in the stricken area, but the Provincial Health Department hopes and believes that this week end will see the peak passed and a rapid improvement set in."

April 3rd, however, finds 560 cases reported and the death list is 12, and "disquieting reports of other cases at different points, supposedly as the result of the Cochrane calamity."

April 9th finds Cochrane with 669 total number of typhoid cases to date, with 24 deaths. And on April 13th the death list had reached 34. Next day, another 4 deaths, total then of 38 and according to a statement from the mayor the cost has so far run up to over $40,000.

April 15th the list of typhoid patients had mounted to 750 cases and that, "a greater number of deaths could be expected from now on."

The nursing staff alone is said to be costing over $400.00 a day. 50 graduate nurses from Toronto alone, quite a number of doctors, and all because some one lacked courage to tell the town of Cochrane what they were to expect.

What is typhoid fever? How does it occur? Why do we have these periodical deadly visitations and what is the cost?

First, let it be said that typhoid fever is a filthy, preventable disease, It is dangerous and nothing in the world can prevent typhoid better than a personal interest in the sanitary conditions of a town or city. One of our best authorities on the subject describes typhoid as follows:

"Typhoid fever (ti foid), called also gastric fever and enteric fever, a disease somewhat resembling typhus, but essentially different. It is characterized by serious disorder of the bowels, and is not infectious in the sense that it can be communicated from one person to another by breath or by the skin as in scarlet fever or smallpox."

Typhoid Carriers

But there is another very serious condition which arises, viz.: Whenever typhoid fever visits a town it leaves a number of typhoid fever carriers which cannot be located. These unknowingly continue to spread the disease and carry it possibly to other towns and cities; the excreta from these victims become a real menace. Typhoid fever, too, is a man-created disease, set up by nothing but unsanitary conditions, pollution of water or food.

The writer has taken this matter up with many medical men, and this question of creating typhoid carriers cannot be viewed in too light a manner; it is a real serious one, one that most medical men are deeply concerned about, because of the fact that while the town of Cochrane may get over this epidemic, persons who become "carriers" being difficult to trace may go about infecting other districts. Every person living, or who has lived in Cochrane for several weeks or even months previous to the epidemic, should take personal care and see that they are examined by a medical practitioner to find out positively that they are not thus infected.

Financial Aspect

In the year 1916 the business section of Cochrane was destroyed by fire. In 1921 the assessment amounted to $1,109,801.00; and the taxes, $43,825.00, with a reported population of 1,663, and now this epidemic! What can the financial condition of Cochrane be with such calamities following one after another? On the face of matters it would appear to be serious in the extreme from a bond holder's standpoint, not that one would think that Cochrane will do aynthing but pay its debts.

This present epidemic could have been prevented at a much less cost if a proper sewage disposal plant had been installed, and as a matter of fact, the financial loss alone to date incurred as a result of the epidemic would have more than paid for a proper disposal system, let alone the loss of life and lost time for those who suffer.

There is a law on the statute books of Ontario, a health act, which distinctly say that no person, persons or municipalities shall "pollute any lake, river, stream or navigable waterway," and yet it is reported that the water supply procured from one lake was polluted because sewage discharged into another lake leaked into that furnishing water. At the time of writing, at least 40 per cent. of the population of Cochrane is stricken down. At least 100 deaths will occur before the epidemic is over.

The value of a Canadian citizen in dollars and cents is estimated at $3,500. The financial loss alone then in lives will amount to $350,000, at least. Then added to that amount is a loss of not one cent less than $1,000 a day for nurses, doctors, medicine and loss in production value, all because Cochrane was not sold on a proper sewage disposal system in the first place, and second, because the people were not warned to the degree of taking notice that cleanliness is next to Godliness and that to pollute a water supply is in the final analysis, on a par with slow suicide.

Life insurance companies should take more note of conditions. Financiers should give more thought to matters of this kind and encourage places like Cochrane to have proper water supply systems, as well as sanitary sewage disposal system.

No town or city lacking a proper sewage disposal system is a safe investment, because either the ground or the water is bound sooner or later to become polluted, and result in loss of life, or a general breakdown of the business activities in that section.

Auditor Finds Shortage In Books of Sydney

An audit of the books of the city of Sydney, N. S., made recently by Robert Carter, a chartered accountant, reveals a shortage of $5,383 in the funds of the city for 1922. While the auditor's instructions were to cover the operations of 1922, it is stated that he found a difference of $9,020 in one of the sinking fund accounts. Until other discrepancies are definitely found it is not fair to assume that they exist, but the fact that the existence of a shortage went undiscovered until a chartered accountant was put on the books, bears some significance. Moreover, the auditor declares that a previous balance sheet placed before the ratepayers was "inaccurate and misleading," that some accounting records which should be kept do not exist, that other records are imperfect and of little value, that cash is not checked regularly against records in the cash book, and that "no sinking fund provision has been made for bonds outstanding aggregating $148,000." The laxity thus exhibited is inexcusable.

This is but an illustration of the results following the establishment of sinking funds in many municipalities. While there may be some advantages in issuing straight-term bonds, the numerous instances of mismanagement in the case of sinking funds lead any careful student of municipal finance to conclude that the issue of serial bonds, bringing with it an increased confidence on the part of investors and the public generally, is desirable. The serial bond does away with much bookkeeping and makes the proper redemption of the bonds outstanding beyond question.

Tenders and By-Laws

TENDERS WANTED

April 23, Oakville.—$73,300, 5½%, 10 and 20-year debentures. Percy A. Bath, Clerk.

April 20, Dresden.—$56,241. 5½%, 15-year debentures. J. T. Bridgewater, Clerk.

April 23, County of Welland.—$100,000, 5½%, 10-year debentures. Robert Cooper, County Clerk. (See announcement on page 16).

May 1, Hull School Commission.—$100,000, 30-year, 5½% debentures. Joseph Provest, Sec.-Treas., Hotel de Ville St., Hull, Que. (See announcement on page 16).

April 30, Montreal Catholic School Commission.—$1,500,000, 5% or 5½%, 20-year bonds.

Apr. 25, Nova Scotia—$2,500,000 5% 30-year bonds. Alternative bids on the basis of Canadian and New York payment.

May 2, Moose Jaw—$40,500, 6% and 6½%, 10 and 15 year debentures. Geo. D. Mackie, City Commissioner. (See announcement on Page 16).

DEBENTURE NOTES

Windsor.—By-law authorising the expenditure of upward of $1,000,000 to rehabilitate and build extensions to the local municipal street railway has been signed by Mayor Wilson.

TAX RATES

Forest	37 mills
Uxbridge	44 mills
Windsor	36 mills
Guelph	38 mills

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
April 16	Quebec R. C. Schools	National City Co.	5 %	30-yrs.	$700,000	96.897	5.19
April 17	Brampton	A. E. Ames & Co.	5½%	30-ins.	65,000	102.17	5.29
April 17	North Vancouver	Waghorn Gwynn & Co.	5½%	10-yrs.	9,000	97.23	
April 17	North Vancouver	Waghorn Gwynn & Co.	6 %	20-yrs.	12,000	95.46	
April 17	North Vancouver	Royal Financial Corp.	6 %	15-yrs.	67.000	100.173	
April 17	Verdun, Que.	McLeod, Young, Weir & Co.	5½%	40-yrs.	250,000	101.36	
April 17	Lachine, Que.	Municipal Debentures Corp.	5½%	30-yrs.	12,000	100.27	..

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

Offerings of Victory Bonds of 1933 or 1937 are especially invited.

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
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We offer
DOMINION STORES, LIMITED
8% Cumulative Class "A" Preferred Shares
Price: 100.00, Carrying a 25% Bonus of Common Stock.
This Company is the largest retail distributor of groceries in Canada, operating 190 stores. Plans call for over 50 new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.

HOUSSER WOOD & CO.
INVESTMENT BANKERS
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UNLISTED STOCKS

WE WILL BUY
100 Loew's London Common
50 Loew's London Preferred
150 Loew's Buffalo Common
25 Loew's Buffalo Preferred
200 K. & S. Common
10,000 Canadian Associated Goldfields
75 Durant Motors

WE WILL SELL
75 Loew's London Common
25 Loew's London Preferred
100 Loew's Buffalo Common
25 Loew's Buffalo Preferred
300 K. & S. Common
50 Durant Motors
5,000 Canadian Associated Goldfields

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OVER 200 BRANCHES IN DOMINION OF CANADA.
Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

The Leading Life Company of the Dominion

ssurances in Force - $630,000,000
y Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

WHAT DOES THE WORD "MUTUAL" REALLY MEAN?

As applied to a Life Insurance Company, it means that the entire assets and revenues of the Company are vested in the Policyholders.

The word "Mutual" means that the Directorate is responsible to the Policyholders only, which condition necessarily results in exceptionally careful administration.

It means that the burden of household protection is lessened to the Policyholder by just the amount which would otherwise have gone to Remunerate Shareholders for the investment of their funds.

Without lessening in any way the security of the Company (whose reserves greatly exceed those required by the Government). The Mutual Feature Guarantees the Largest Amount of Absolutely Sound Protection for the Least Possible Outlay.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, - ONTARIO
Assets $53,605,630 December 31, 1922 Assurances $246,486,654

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Our "Square Deal" Contract will appeal to you with compelling force—one contract only—no middlemen—new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

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Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
Policies Issued from $500 to $5,00
G. E. BAILEY, Secretary W. H. HUNTER, President G. R. COTTRELLE, Treasurer

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Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issues Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance values.
GOOD POSITION OPEN to man who can qualify as Superintendent in City of Toronto.
Apply to Jas. S. Green, 249-250 Confederation Life Bldg., TORONTO, ONT.

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Each month our Agents receive an average of 235 names of prospects who have written Head Office for particulars of our policies.
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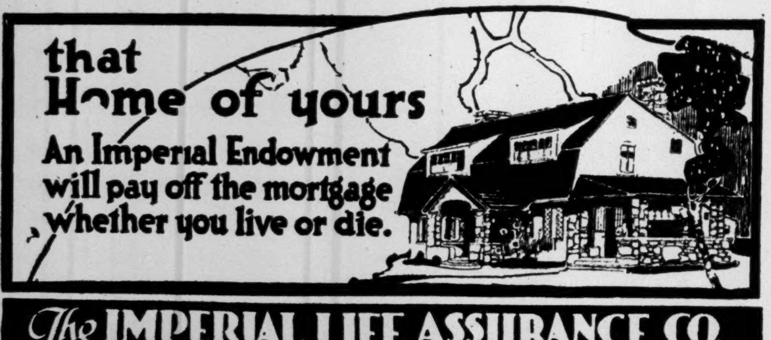
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Home of yours
An Imperial Endowment
will pay off the mortgage
whether you live or die.

The IMPERIAL LIFE ASSURANCE CO.
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HEAD OFFICE TORONTO

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UNION INSURANCE SOCIETY OF CANTON
LIMITED
ESTABLISHED 1835
Fire - Automobile - Marine Insurance
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C. R. DRAYTON, Manager for Canada

INSURANCE FOR BUYER AND SELLER

INSURANCE AGENT NOW SELLS CLIENT POLICY HE NEEDS

That is the Service Idea Applied to Life Insurance Selling

From Our Own Correspondent.

MONTREAL.—The most successful agent of one of the larger Canadian life insurance companies recently established something of a record for himself by selling the fifteenth policy to one of his clients. This life insurance salesman—let us call him Mr. Brown—is able time and time again to go back to clients to whom he has sold policies and get additional business from them. He has been able to build his large annual volume of business by getting a great many repeat orders, the individual policies totalling small amounts but in the aggregate amounting to many thousands of dollars in the case of certain individuals.

It would seem that there must be some secret for such success, yet when the secret is learned it is anything but novel. Mr. Brown claims that the largest part of salesmanship is service. He is able to build his big and satisfactory turnover of new policies on the principle of giving every one of his clients the best possible service in writing their insurance. And the biggest thing in life insurance service, he believes, is selling the right type of policy to the individual.

The man to whom he has sold a policy that fits his needs is ready for another policy later on. But the man to whom the wrong type of policy has been sold is harder to tackle for new business than the rawest prospect. This is the philosophy of a successful salesman and must be considered as having real weight.

Mostly Straight Insurance

It may or it may not be significant that this salesman does more insurance on the whole-life or twenty-pay-life plans than anything else. He bases this course of action upon the ground that he is selling protection primarily and that when he sells a policy that involves something in addition to actual protection, he is stepping outside his real field. The commissions on endowment policies and similar classes of business are larger in the first instance, but looking ahead to the time when his client will be requiring additional protection he feels that there will be greater benefit to him in the end from the individual who has been properly sold a whole-life policy than from the individual who has been improperly sold an endowment policy.

Here is a typical line of reasoning of Mr. Brown's. The average life insurance salesman approaching a young unmarried man to sell him his first life insurance policy suggests an endowment plan. He points out to the young man that he has not the responsibilities that will induce him to save and has not dependents for whom he requires a great deal of protection, therefore, the endowment policy will provide a steady system of saving and still give all the protection the young man requires. On the other hand, Brown argues that the average young man will eventually get married, and then his first need in life insurance will be to provide the maximum amount of protection for his dependents with saving and investment as only a secondary object to be obtained. He would then benefit from the whole-life policy more than the endowment policy and when the insurance agent approaches him for further business he will appreciate having been sold the proper type of policy in the first place and feel a certain amount of good will towards the man who made him see ahead to the time when he needed the most protection.

Place for Endowment Policies

This need not be accepted by the average salesman as an argument against endowment insurance or similar forms of policies. There are many people to whom such forms of insurance are exceedingly valuable. But the modern tendency in life insurance salesmen is not to sell such policies simply because the commission to the agent is larger, but rather to study the needs of the client and fill them to the best advantage.

Many companies are now writing a very excellent type of monthly income policy. At the death of the insured the face value of the policy is not paid immediately to his widow or other dependents lest it should be lost through unwise investments. Instead a monthly income is paid to the widow during her lifetime or for a guaranteed term of years. A short while ago a life insurance agent was selling a client a good sized policy. The client said to him, "Now I want this on the monthly income basis. My wife does not know very much about business affairs and if you were to pay this to her at my death in monthly instalments, it would mean that she would not have the bother and risk of investing it."

The life insurance agent realized the benefit to himself and to his company of having the insurance policy on the monthly income basis but induced the business man not to have the policy written on that plan. He said, "There is a large sum of money represented by this policy. You should make it payable to a trust company with the provision that the sum shall be invested during the lifetime of your widow and the income paid to her each month. And you should provide that after her death the principal sum shall go to your children to be divided as you see fit. A well managed trust company will get a large income for your wife and you will not be paying out the capital amount of the policy to her during her lifetime, but rather leaving something for the children."

That, too, is an example of the present tendency of life insurance companies and salesmen to apply service to their business; to sell the right type of policy to the right type of people and give them the proper advice even though it may at times mean an initial sacrifice. In the end it means no sacrifice at all as is evidenced from the experience of the successful life insurance salesman whom we called Mr. Brown.

POLICIES OF MUTUAL CHANGE TO SUN

Most of the Policies Will Come Under Canadian Company

From Our Own Correspondent.

MONTREAL.—A very large percentage of the British policyholders of the Mutual Life Insurance Co. of New York have agreed to transfer their policies to the Sun Life Insurance Company of Canada under the arrangement by which the Sun takes over the English business of the other company. This deal was mentioned in last week's issue of THE FINANCIAL POST. For those policyholders who would not agree to the transfer to the Sun Life, the actual carrying of the policy will be with the Mutual Life but the Sun Life will collect the premiums and make payments, in other words actually do the collection and book-keeping work for the Mutual Life of New York. The Mutual Life formerly had a good deal of business in Great Britain but found that it could get in the United States and Canada all the business the insurance laws of New York State would allow it to write and that it was involving itself in unnecessary expense in writing business in England. Therefore, after the war it stopped writing in England and now makes arrangements with the Sun Life to practically dispose of all risks and bother in connection with some $35,000,000 worth of insurance.

Now All Over the World

The Sun Life is now the most widely organized life insurance company in the world and is writing business in more than forty countries. It first went into the West Indies where it met with some success and then extended its operations to South America, first in Chile and Peru and later in Colombia and other countries. Recently it entered the Argentine Republic. Business is also written in India and other topical and sub-topical countries. Practically the only important part of the world where the Sun Life is not writing is the continent of Europe where it does not take any risk whatever.

This international business involves many problems that do not come into the work of the company writing in Canada only. Actuarial experience varies from one zone of temperature to another. Rates in tropical countries, for instance, have to be upon a much higher basis than in the temperate zone. Taxes also vary from country to country and as it would be unfair to charge policyholders in the country where taxes are on a low basis with the higher taxes charged in other countries, these costs are not thrown into a general account and divided among all policyholders, but are adjusted according to the country where the policyholder lives. A similar procedure has to be followed in declaring dividends to policyholders in the countries where the mortality rate is very low; such policyholders benefit to a greater extent from this fact than the average policyholders throughout the world.

The wide geographical distribution of the risks of the Sun Life has not been without some advantage. During the war the Sun Life suffered along with all other Canadian companies, rather heavy death losses in Canada and naturally in other allied countries. In China, Japan, India and such nations the mortality rate was not above normal, and averaging the losses throughout the entire globe the rate for the whole of the company's business did not rise as much above normal as if business had been written in Canada only. The experience during the influenza epidemic was similar.

Insurance Amalgamation of Waterloo Companies

Announcement is made from the Head Office of The Ontario Equitable Life and Accident Insurance Company, of Waterloo, Ontario, that an agreement has just been completed for the amalgamation of The Policy-Holders' Mutual Life Insurance Company of Toronto with The Ontario Equitable. The negotiations, which have been under way for some weeks, were carried on with the consent and approval of the Ontario Insurance Department.

The Policy-Holders' Mutual Life was organized in 1909 by A. M. Featherston, who is the managing-director. The company has at present over $7,000,000 of insurance and assets of $600,000.

The Ontario Equitable Life and Accident Insurance Company has life insurance in force amounting to over $14,000,000 and assets of $450,000. The combined business of the two companies will be $22,000,000 of life insurance and assets of $1,100,000.

A. M. Featherstone will become vice-president of the Ontario Equitable and a number of the Policy-Holders' Mutual directors will join the Ontario Equitable board. The Policy-Holders' Mutual is calling a special general meeting of shareholders and policyholders for ratification of the agreement.

GROUP INSURANCE GAINED $7,500,000 DURING YEAR 1922

Smaller Policies Are Now Being Written by Canadian Companies

From Our Own Correspondent.

MONTREAL.—Over $11,000,000 of new group insurance policies were written in Canada during the past year and the total amount of such insurance in force increased by $7,575,867. This was the more remarkable in comparison with the previous year, for during 1921 there was an actual decline of about half a million dollars in the amount of group insurance in force in Canada. Durthe past year only two companies failed to increase the amount of their business in force. These included one company that was formed with the specific object of carrying group insurance for the employees of a single corporation.

General improvement in business conditions was responsible for the increase. During 1920 and 1921 there were many corporations that were meeting with tremendous difficulties in keeping their finances liquid and it was difficult to induce executives to indulge in what at that time seemed a luxury-group insurance. But with the revival of better business, industrial executives are able to make expenditures upon such a humanitarian institution as group insurance.

Writing Smaller Policies

The field of operation of the companies operating group insurance is widening. Stock brokerage firms, bond dealers, and similar financial offices have insured employees. At least one Canadian bank has taken out group insurance on all the members of its staff. The smaller policies are now possible because of changes during the past year that made it possible for the companies to write groups from fifteen to fifty persons, although formerly the minimum number that they could cover was fifty persons. For the smaller number there are somewhat stricter rules as regarding the health of the employees and the rates are slightly higher than the larger groups.

Another interesting development has been what is known as association assurance. This is a form of protection which may be applied to groups and individuals who may or may not be the employees of a common corporation but who are banded together for some object. Labor unions, for instance, come in this group and group insurance to some extent replaces the former mutual benefit plan of such organization. A policy is written the same in every respect as in the case of group insurance, but the rates of course are charged to the individual members and at slightly higher than the two group rates. The companies selling group insurance are now stressing the humanitarian factor more than some other advantages of group insurance that have been emphasized in the past. While it is felt that a group insurance policy will have the effect of reducing labor turnover, of increasing production by making more satisfied workers and of generally improving relations between employers and employees, in the ultimate analysis the average group insurance policy is written because the executive heads of the corporation are out to give some protection to the families of their employees. This does not mean that tangible results have have not accrued to companies adopting group insurance. The employees of one large oil company who had been insured under a group insurance policy, passed a resolution to the effect that while in the past they had considered the cutting of 27 boxes of tin per man daily as a fair output they would now, in recognition of the company's thoughtfulness, cut 30 boxes of tin daily. This is not without its humorous touch in indicating a too prevalent view of his responsibility to his job that the average workman feels.

What Employees Said

Employees usually are very enthusiastic about group insurance. Just the other day one of the larger Canadian companies that had given group insurance to its employees, received a letter from a committee of employees which said in part, "Perhaps at the time when the plan of group life insurance was adopted here, we did not give it our fullest appreciation. We accepted it as a matter of course. However, the recent death of two of our fellow workers has brought home to us the value of the insurance as a means of bringing comfort and succor to the homes of these two men in the hour of bereavement."

This letter emphasizes the fact that while employees are not always sold on group insurance at the start, it requires but a little experience of its operation to convince them of its real value. In this connection the incident is significant, that when the employees of a Montreal industrial corporation were offered, last Christmas, the choice between group insurance policy and a turkey apiece, they voted unanimously in favor of accepting the turkey from the management.

Group insurance is meeting with progress because it is based upon the soundest humanitarian principles that are now permeating the whole relationship between employer and employee, not only in industry but in the white collar ranks of business and finance.

These figures indicate the progress during 1922 and show the total amount of group insurance in force at the end of 1921 and 1922. The figures for the Canadian companies include both insurance in Canada and outside, but the largest part of it is in Canada:

Canadian Companies

	In Force at End of 1921	1922
Canada Life ...	$ 6,492,500	$10,681,470
T. Eaton Life ...	15,449,500	12,800,000
Great West Life	2,287,024	2,485,210
London Life ...	509,300	606,400
Manufacturers ..	51,900	62,800
Sauvegarde Life	101,200	129,400
Sun Life	11,999,272	18,649,477

United States Companies

	In Force at End of 1921	1922
Aetna Life	$13,290,750	$14,239,000
Equitable Life ..	2,890,850	2,943,850
Metropolitan Life	15,880,392	16,166,664
Prudential Life	1,503,833	47,000
Navelleis of H'ord	9,360,151	10,985,602
Total in 1920 ..	$76,925,486	
Total in 1921 ..	76,344,319	—$ 581,167
Total in 1922 ..	83,919,786	+7,575,867

In the article in THE FINANCIAL POST of April 6th on life insurance lapses, by B. W. M. Grigg, the statement was made, "The years 1919 and 1920 were marvellously productive, etc., but in the same years four hundred and thirty-four million dollars of life insurance lapsed." It should have read, "but in the years 1920 and 1921 $434,000,000 lapsed."

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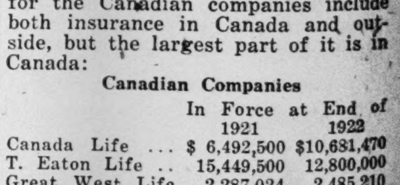

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INVESTMENTS OF LIFE COMPANIES TAXED HEAVILY

Provinces and Dominion Take Heavy Toll on Accumulated Funds

By J. B. McKECHNIE,
Manager Manufacturer's Life Insurance Co.

While the following instances are given of various forms of taxation, it should be noted that the list does not assume to be a complete statement of such taxes. On the other hand, they are given for purpose of illustration only and as a guide to the student as to various types of imposts which should be looked for in perusing the study of investment, taxation.

In Saskatchewan, if a company's investments in the province exceed $25,000, a tax of 40 cents is levied on each $1,000 invested, exclusive of securities of the Saskatchewan government or of any local or public authority in the province.

The Dominion Income Tax Act does not apply to the interest income of life insurance companies. It applies, however, to the earnings of the shareholders' fund.

In Alberta if a company's investments in the province exceed $50,000, a tax of ¼ of 1 per cent. is levied on the gross income from investments, exclusive of securities of the Alberta government.

In British Columbia a tax of 2 per cent. is levied on the gross income from investments in the province.

Registration of Mortgages

Ontario municipalities having a population of 200 000 or over may impose a tax of 1-10 of 1 per cent. upon the amount secured by each mortgage registered upon lands within the municipality. (Under this authority the City of Toronto imposes such a tax).

In Ontario, upon the sale or transfer of real estate, a tax of 1-5 of 1 per cent. is levied upon the amount of the purchase price.

In Alberta, upon the registration of the transfer of certain lands a tax of 5 per cent. is levied on the increased value, exclusive of improvement, over and above the value according to the last preceding value. Unsubdivided lands used for agricultural purposes (not exceeding 540 acres and limited to $50 per acre) are exempted.

A Dominion stamp tax of 3 cents per $100 of par value is levied on the sale or transfer of stocks.

In Ontario a tax of 3 cents per $100 of par value is levied on the sale or transfer of stocks.

Tax on Bond Transfers

A Dominion stamp tax of 3 cents per $100 of par value is levied on the sale or transfer of bonds. (Dominion and provincial bonds excepted).

A Dominion stamp tax of 2 cents on each $50 is levied on cheques up to an amount not exceeding $5,000.

A Dominion stamp tax of 2 cents on each receipt is levied, where the amount is $10 or over.

A Dominion stamp tax of 2 cents for each $50 is levied on bank overdrafts, calculated quarterly on the maximum amount of the overdraft during the quarter.

A Dominion stamp tax of 2 cents for each $50 is levied on bills of exchange and promissory notes transferred to a bank so as to constitute the bank the holder or delivered to a bank for collection. If the bill or note should be drawn payable on demand or at sight or on presentation or within three days after date or sight, it shall be deemed to be drawn for an amount not exceeding $5,000.

INSURANCE COMPANY MUST HONOR POLICY

Justice Magee Decides Mutual Life of N.Y. Must Pay Claim

A judgment holding the Ontario Metal Products, Limited, entitled to judgment for $50,000 with interest from the date of proof of the death of F. J. Schuch of Toronto, and costs from the Mutual Life Insurance Company of New York. The case arose out of a $50,000 policy issued in December, 1918, by the insurance company on the life of F. J. Schuch and payable to the Ontario Metal Products, Ltd., in case of death. In 1920 after two premiums of $1,129 each had been paid, the insured man went into a hospital for an operation. A number of cancerous growths were found and the patient died shortly afterward.

The insurance company disputed its liability under the policy on the ground that the insured's condition had been concealed and misrepresented by certain answers on the application. The company also alleged that the premiums were not paid or the policy delivered during the good health of the insured. Mr. Justice Magee gave judgment against the insurance company. It is held that non-statement of the fact that Schuch had had hypodermic injections for a nervous and run down condition, was not a material misrepresentation to the contract. An appeal has been entered on behalf of the defendants.

As the life insurance contract is a complicated one, it inevitably gives rise to some litigation, but, considering the large number of policies written every year, the cases where serious disagreement arises are surprisingly few. It is expected that an applicant in filling out the application shall not misrepresent his physical condition. In cases where he answers a question wrongly and signs his answers, it is evident that misrepresentation has taken place.

Unseasonable Weather Interferes With Building of the Dominion

Building in March fell slightly below 1922, due to weather conditions in the east as there was a distinct falling off in eastern cities, while the western centres showing a material advance, offset in a measure the loss. The increased activity in the west is reassuring. Two Manitoba cities just about held their own. Three Alberta centres show a small decline in total, Saskatchewan averages, while three of five British Columbia centres show a material gain, Vancouver picking up perceptably. The total for 15 western cities is $959,800, a gain of $117,084 over 1922.

Thirty eastern cities show a loss for the month of $218,520. All the four cities of the Maritimes are below 1922; two of the four Quebec cities show a gain; eight of 22 Ontario centres are lower, the total for 1923 being $7,960,271 as compared with $8,178,791.

The first quarter of the year, however, finds Eastern Canada a million and a half dollars ahead of 1922 with the western cities also on top by good margin. This shows a gain for the Dominion for the quarter of $1,643,973, the totals being: 1922, $16,233,879; 1923, $17,877,852.

The city of Montreal is the first city to show an increase of a million dollars. Early in the year building was quite slack, but March with a total of $1,999,200 sent the total up. Toronto stands second, just under a million. The unseasonable weather held the Toronto March total down.

Quite a contrast is shown by the Twin Cities. Fort William shows an increase for the quarter of $762,100, having had some large building early in the quarter. Port Arthur on the other hand shows a $681,120 decline. It evidently got the big building of the first quarter of 1922.

The figures:

BUILDING PERMITS ISSUED IN MARCH

Eastern Cities

	March 1923	March 1922	Change	3 Months 1923	1922	Change
Maritimes—						
Halifax	$ 21,325	$ 62,610—	$41,285	$ 50,705	$ 123,185—	$72,480
Moncton	445	24,365—	23,920	1,595	58,565—	56,970
St. John	20,600	28,000—	7,400	25,600	170,500—	144,900
Sydney	10,100	20,800—	10,700	14,615	29,065—	14,450
Quebec—						
Montreal	1,999,200	935,713+	1,063,487	2,800,110	1,713,273+	1,086,937
Quebec	89,615	85,702+	3,943	265,175	316,017—	50,842
Sherbrooke	25,300	135,000—	109,700	41,300	145,000—	103,700
Westmount	3,635	76,700—	73,065	40,535	86,100—	45,565
Ontario—						
Brantford	5,580	26,665—	21,085	20,710	29,575—	8,865
Ft. William	153,550	3,300+	150,250	779,950	17,850+	762,100
Galt	7,350	31,747—	24,397	9,450	48,047—	38,597
Guelph	54,258	41,815+	12,443	68,726	57,095+	11,631
Hamilton	379,400	405,100—	25,700	658,605	924,040—	265,435
Kingston	11,655	9,725+	1,930	16,810	17,252—	442
Kitchener	122,461	271,555—	149,094	171,189	405,805—	234,616
London	249,900	163,045+	86,855	446,160	240,545+	205,615
Oshawa	72,000	11,520+	60,480	16,820	97,275—	80,455
Ottawa	94,750	188,805—	94,055	157,650	240,805—	83,155
Peterborough	2,015	10,020—	8,005	12,860	21,810—	8,950
Port Arthur	3,982	658,540—	654,558	156,656	837,776—	681,120
Sarnia	65,040	79,142—	14,102	139,315	128,102+	11,213
Sault Ste. Marie	11,235	33,609—	22,374	14,435	44,622—	30 187
St. Catharines	21,655	45,187—	23,532	34,710	62,722—	28,012
St. Thomas	3,575	30,790—	27,215	11,900	41,634—	29,734
Stratford	28,930	24,298+	4,632	42,302	34,298+	8,004
Toronto	3,068,318	2,883,335+	184,983	6,705,172	5,750,964+	954,208
Welland	1,685	11,550—	9,865	6,885	26,550—	19,665
Windsor	436,170	948,300—	512,130	1,127,165	1,172,485—	45,320
Woodstock	103,312	8,653+	94,659	109,550	21,228+	88,322
York Township	893,200	923,200—	30,000	2,080,350	1,739,200+	341 350
Tl. 30 E. Cities	$7,960,271	$8,178,791—	$ 218,520	$16,027,205	$14,601,385+	$1,425,820

Western Cities

	March 1923	March 1922	Change	3 Months 1923	1922	Change
Manitoba—						
Brandon	585	3,635—	3,050	10,585	5,835+	4,750
St. Boniface	21,175	22,665—	1,490	33,475	37,015—	3,540
Alberta—						
Edmonton	35,800	77,350—	41,550	64,195	124,850—	60,655
Lethbridge	42,580	21,935+	20,645	49,065	23,860+	25,205
Medicine Hat	2,105	700+	1,405	2,105	4,305—	2,280
Saskatchewan—						
Prince Albert	25,150	22,725+	2,425	30,150	23,855+	6,295
Regina	49,840	44,445+	5,395	62,910	72,615—	9,705
Saskatoon	13,500	27,535—	14,035	79,275	43,935+	35,340
Weyburn	....	1,100—	1,100	......	1,550—	1,550
Yorkton	100	975—	875	7,950	2,025+	5,925
British Columbia—						
Kamloops	22,110	12,730+	9,380	22,110	12,730+	9,380
Nanaimo	22,605	14,574+	8,031	24,065	19,541+	4,524
Prince Rupert	6,555	20,985—	14,430	14,800	175,250—	160,450
Vancouver	694,200	461,880+	232,320	1,249,910	902,786+	347,124
Victoria	23,495	109,482—	85,987	200,052	182,262+	17,790
Tl. W. Cities	$ 959,800	$ 842,716+	$ 117,048	$ 1,850,647	$ 1,632,494+	$ 218,153
Grant Total 45 Cities	$8,920,071	$9,021,507—	$ 101,436	$17,877,852	$16,233,879+	$1,643,973

Why Co-Operative Societies Have Been a Failure in This Country

Continued From Page 3

He is the product of his socio-moral philosophy. In the pioneer days in Canada he cannot be expected in large numbers. Co-operative societies have to accept as managers men drawn from the private trade and saturated with its outlook. Having no financial risks of their own, often the management of such men is characterized by indifference and irresponsibility. As in private business under the management of men having nothing at stake, if there is inadequate or inefficient direction, control and supervision by those directly responsible to the shareholding proprietors, failure almost inevitably ensues. Efficiency in the management of co-operative societies is expected in future by an improvement in the quality of direction.

4. **Lack of Education.** Neglect to educate the rank and file of the members of a co-operative society in the principles, history and philosophy of the movement, and those responsible for direction, management and administration in the technical features of co-operative principles and practice is also a contributing factor to failure. When the people in control are ignorant of co-operation, and unaware of their ignorance, it is not surprising they do not appreciate that a co-operative society cannot succeed without intelligent co-operators. If directors are ignorant of co-operative principles and practice they naturally fail to inculcate them in the rank and file. Professor Stuart, many years ago, declared that "education is the life-blood of the co-operative movement." It is more than ever the case to-day. Unfortunately the Canadian Movement is numerically so weak that, as yet, it is unable financially to satisfy its educational needs.

The letter of Mr. George Keen is so amply confirmatory of the main points in my article of March 9th, that I am reluctant to enter upon any argument regarding minor points. I may observe, however, that it is not fair to found an accusation of ignorance upon a single sentence. The character of the Civil Service and similar stores in England is well recognized as co-operative in precisely the same sense as many of the early societies formed among working men were co-operative. The "Stores" however, are not co-operative in the sense that they do not enter into the group of co-operative societies which form the English and Scottish wholesale societies. I did not suggest that they were.

The reason I mentioned the English "Stores," (there are some in Scotland), was that I wished to show that co-operation in England is not a class movement; but that the essential features of co-operation are practised much more widely than is implied by the operations of the wholesale societies and their constituent members. The attribution of inferior motives to certain groups of co-operators in the message from "the History of Co-operation," by my old friend George Jacob Holyoake, was written at a time when insistence upon the self-righteous attitude of co-operators was in fashion. Very little of that early assumption of moral superiority is to be found in writings on co-operation in the present time.

Mr. Keen neglects to notice that in order to purchase at the "Stores," it is necessary to be a member. All this has nothing to do with the main point.

I did not "deal loosely" with the "lack of homogeneity" in Canada. What I said was "even where the pop-"ulation is relatively homogenous as "it is in Canada, co-operation is en-"tered into reluctantly because every "effective man is presumed to be en-"gaged in working on his own ac-"count, or for the highest wages he "can obtain. Thus productive co-op-"eration of small producing societies "is practically impossible."

The plain fact is that co-operation has succeeded in Great Britain, France, Belgium and some other countries. (It was succeeding in Russia until the movement was deliberately destroyed by the Soviet Government). And it is a fact that co-operation has not succeeded in any country which has been colonized from Europe and whose population consists predominantly of energetic pioneers. These facts may be deplored but they are indusputable.

The English co-operative movement began in 1843. Within fifty years it had reached large, and within eighty years what may fairly be described as enormous dimensions. In the United States and Canada the movement cannot be described otherwise than as being still in its feeble infancy. Mr. Keen does not dispute that the movement is not successful in Canada. The following are the reasons he gives:

1. Ignorance of Organisers. 2. Inefficient direction. 3. Negligent or Incapable management. 4. Lack of education of the rank and file of the members.

The three first reasons for failure are all comprised in the reason given in my article of March 9th, viz., incompetent management. The second reason given by Mr. Keen, I did not mention. It may be of importance from the point of view of organisers of co-operative societies; but it cannot be a reason for the absence of growth of the co-operative movement. The question is, how are people to be enlisted as co-operators, not how they are to be educated after they become co-operators. The really important reason for the relative absence of success of co-operation in the U. S. and in Canada seems to me to be in the psychology of the people. They are energetic, they are industrious, they are intelligent; but they are desirous of working for themselves and they are deficient in the co-operative instinct. They will not join a co-operative society unless they anticipate material benefits to accrue to them. The moral aspects of co-operation do not appeal to the Canadian as a rule, not because he is immoral, but because he does not attach importance to the assumption that co-operation is either more or less moral than individual action.

Mr. Keen is not at all clear on the question of "profiteering." When a society divides its profits among its shareholders it is "profiteering"; when a society divides its profits among its customers, it is not profiteering. What would be the producer's point of view? Would he not think that both are profiteers and that he is being despoiled of both—in other words—is the consumers' surplus any more legitimate than the shareholders' surplus, or any less?

JAMES MAVOR.

Prudential Co. Assets Near Hundred Million

The annual report of the Prudential Insurance Company, just recently issued, shows the total assets of the company to be $906,397,224. This is made up of mortgages valued at $325,000,000, United States government bonds $104,000,000, and railroad, public utility and other securities $340,000,000. The surplus of the company now amounts to $35,800,873. The paid-for business in 1922 was $1,311,000,000, bringing the total insurance in force to $6,314,000,000.

The new insurance issued by the company in Canada during 1922 was $44,533,813, of which $14,589,097 was ordinary and $29,891,216 was industrial. The total insurance in force in Canada is $219,441,957.

How to Reach Your Prospective Customer as an Invited Guest

11

Suppose you are anxious to secure an order from an important business man; which of the following would you prefer:

(I) To call upon him at his office, while he is busy with Rush Correspondence or engaged on business with other people with whom he has made appointments, and perhaps find after all he is unable to see you, or

(II) To receive a note from him saying he will be glad to see you if you will call on such and such a day?

Naturally you would prefer to receive his note. You would then be sure of receiving his attention; you would be the "invited guest." In the first case you would be more or less an interloper, possibly unwelcome, as you would be taking up time he had intended to use otherwise.

Now the relative difference between the interloper and the invited guest represents exactly the difference between the free publication or circular and the business paper. The former comes unasked, it may by chance be read, more probably it is not. That depends on circumstances. Its most likely destination is the waste paper basket. The trade paper, on the other hand is the invited guest. It is even more, for it has not only been invited, it has been paid to come. Its arrival is looked forward to periodically and the messages it brings are therefore sure to receive attention.

It is partly in order that he may receive these sales messages that the business man pays for the paper. In most cases the advertisements are considered equally as important as the reading matter. It is advisable then for you to see that your messages reach him in this best of all possible ways—as an invited guest.

Now how can you assure yourself that the medium you choose for your advertisement will comply with these conditions—that it is not among the interloper class?

The answer to this query will appear in our third talk which you will find in our next issue.

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Canadian Machinery
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Druggists' Weekly
Power House
Canadian Shipping
Printer and Publisher
Sanitary Engineer
Canadian Automotive Trade

ACQUIRE B. C. HOLDINGS

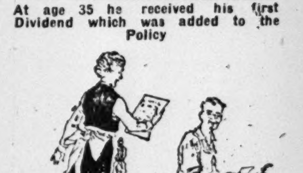
VANCOUVER.—The interest being taken in British Columbia mines in England is shown by the fact that English groups recently acquired a substantial interest in the Daly Alaska, Prince John and Forty-nine Mines all in the Stewart district. In this connection it is of interest to note that the Provincial Minister of Mines has authorized the collection of mineral samples from various districts in the Province to be sent to the Agents General in London, England, where they will be used for display purposes at various exhibitions, etc.

"Have you a Twenty Pay Life Policy?"

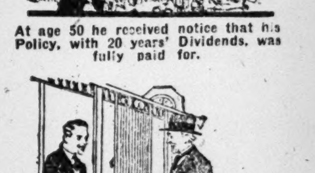
A true story of a Canada Life policy issued over forty years ago.

At age 30 he secured a $5,000 Twenty Pay Life Policy

At age 35 he received his first Dividend which was added to the Policy



At age 50 he received notice that his Policy, with 20 years' Dividends, was fully paid for.



At age 70—after having many years protection for $5,000, he withdrew the cash value—now amounting to $6,140. He had paid only $2,830 in premiums.

If he so desired the company would have given him this $6,140 as a monthly income of $66.50 for life.

A Policy on your life will do much towards carrying out your intentions—whether you live or die.

It may pay off the mortgage supply food and clothing for your family, keep the children at school.

It may be all that is left of your life work—to keep you in comfort in your old age.

But—your Policy must be large enough.

The Twenty Payment Life

policy is selected by many for the following reasons:

Premiums cease in twenty years—therefore your policy will be fully paid for before you reach later life—when your earning power will have declined.

Cash values increase year by year, and after the third annual premium the policy cannot lapse as long as sufficient value exists.

Dividends are paid during the twenty years and as long as the policy remains in force thereafter.

A twenty pay life policy will provide an amount in event of death equal to twenty or thirty times the annual premium and produce an estate of $2,000, $5,000, $10,000, or more as arranged.

An Easy Savings Plan

These active progressive years of life in which you are earning the most money are the years in which premiums can be most easily met.

Twenty years is a convenient period and premiums spread over that length of time are moderate and easy to handle.

If you are Insurable

—do not delay decision on this important matter—delays are dangerous.

Canada Life
Home Office
TORONTO

CANADA LIFE ASSURANCE COMPANY
Dear Sirs—Without obligation on my part, please send me particulars of your Twenty Payment Life Policy.
Name ....
Address ....
Born .... day of .... 19..
12

Atlantic Sugar Refineries Limited

REPORT OF THE DIRECTORS

To the Shareholders:

fiscal year ended December 31st, 1922.

The Profit and Loss Account for the period and a statement of Assets and Liabilities are appended.

ATLANTIC SUGAR REFINERIES LIMITED

Your Directors submit the Seventh Annual Report of your Company for the

PROFIT AND LOSS ACCOUNT

The total sales of the Company for the year exceeded $16,500,000 and the operating profits amounted to $990,564.09. Out of these profits the following charges have been provided for:—

Bond Interest	$59,910.00
Bank Interest, Exchange and other Interest	476,136.11
Reserve for Bad Debts	23,934.32
Reserves for Depreciation of Plant	302,618.26

leaving a net balance for the year of $127,965.40.

STATEMENT OF ASSETS AND LIABILITIES

On July 1st, 1922, the Company redeemed outstanding First Mortgage Bonds amounting to $100,000, in accordance with the terms of the Trust Deed. Additions to plant equipment have been made to the value of $41,961, and this amount has been added to Capital Account. The profits for the year as shown above have improved the margin between Current Liabilities and Current Assets to the extent of $470,646.

THE PROPERTY

Following the policy inaugurated in the first year of operation and adhered to each succeeding year the plant has been constantly kept in the highest state of efficiency. The cost of maintenance and repairs has each year been charged to Operations. During this year the amount so charged was $97,109.15.

PLANT OPERATION

Operations were carried on for 287 days. Raw sugar melted amounted to 309,154,071 pounds and showed an increase of 70% over the previous twelve months.

DOMESTIC BUSINESS

Figures published by the Dominion Bureau of Statistics show that in the year 1922 Canada as a whole consumed 809,942,816 pounds of sugar, an increase in consumption over 1921 of about 13%. Your Company enjoyed its share of this increase.

EXPORT BUSINESS

The valuable connection made for export has continued to result in substantial business with indications of further continuation. It is interesting to note that the Canadian Refiners during the year exported 316,651,937 pounds of refined sugar to 29 countries as follows:—

United Kingdom
Bermuda
British Guiana
British Honduras
British West Indies
Barbadoes
Jamaica
Trinidad and Tabage
Newfoundland
Belgium
China
Finland
France
Alaska
French West Indies
St. Pierre and Miquelon
Germany
Italy
Japan
Netherlands
Dutch Guiana
Dutch West Indies
Norway
Portugal
Russia
Sweden
Switzerland
United States.

In this business your Company was a large participant.

INDEBTEDNESS

Continued endeavours were made during the past year to evolve a plan for the readjustment of the Company's financial position in respect to the deferred indebtedness to the raw sugar creditors, but no definite arrangement has yet been reached.

The Directors regret to report the death of Mr. S. H. Ewing, which occurred at Montreal on January 31st, 1923. Mr. Ewing joined the Board in 1912. During his tenure of office he took a lively interest in the Company's affairs and through his death the Company and Directors lose an esteemed friend and a valued counsellor.

Respectfully submitted,
WILFRED A. HOBBINS,
President.

April 9th, 1923.

BALANCE SHEET AS AT 31st DECEMBER, 1922

ASSETS

Land, Buildings, Wharfs, Plant and Equipment	$5,925,567.19	
Franchises, Leases and Goodwill	3,000,000.00	
		$8,925,567.19
Cash in Bank and on Hand	$ 23,788.35	
Accounts and Bills Receivable	255,892.45	
Investments	139,825.00	
Inventories	1,490,174.46	
		1,909,680.26
Expenditure made on account of future Business		35,651.36
Profit and Loss Account Deficit		5,060,314.32
		$15,931,213.13

LIABILITIES

Capital Stock:—		
Authorized:—		
30,000 7% Cum. Con. Preferred Shares of $100 each	$3,000,000.00	
35,000 Common Shares of $100 each	3,500,000.00	
Since authorization 13,889 Shares of Preferred Stock have been converted to Common Stock.		
Issued:—		
11,111 7% Cum. Con. Preferred Shares of $100 each	$1,111,100.00	
48,889 Common Shares of $100 each	4,888,900.00	
		$6,000,000.00
Note—Dividend paid on Preferred Shares to 30th September, 1920.		
Bonds:—		
Authorized:—		
$2,000,000 First Mortgage 6% Bonds—Issued	$1,570,000.00	
Less:—Redeemed	475,000.00	
		1,095,000.00
Loans:—Secured by Inventories, by Hypothecation of $3,000,000 6% 2nd Mortgage Bonds due December, 1930, and other Collateral		3,725,000.00
Accounts and Bills Payable and Accrued Charges		144,239.72
Accounts Payable (Deferred) with interest accrued thereon to 31st December, 1922		3,724,195.43
Reserves:—		
Bad Debts	$ 21,664.36	
Depreciation and Contingencies	1,221,113.62	
		1,242,777.98
		$15,931,213.13

Note:—$146,500 (par value) First Mortgage 6% Bonds purchased by the Company still outstanding are included in Investments.

Contingent Liability for Bills under Discount $228,169.00
(These have since been paid.)

Approved on behalf of the Board,

WILFRED A. HOBBINS,
D. LORNE McGIBBON,
Directors.

AUDITORS' REPORT

To the Shareholders of Atlantic Sugar Refineries, Limited.

We have examined the Accounts of Atlantic Sugar Refineries, Limited, for the Year ended 31st December, 1922, and have obtained all the information and explanations required by us. We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and explanations given to us, and as shown by the books of the Company.

Montreal, April 7th, 1923.

(Signed) **MacIntosh, Cole & Robertson,**
Chartered Accountants.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1922

Net Profit for the Year before providing for undernoted charges		$ 990,564.09
Bond Interest	$ 59,910.00	
Bank Interest, Exchange and other Interest	476,136.11	
Reserve for Bad Debts	23,934.32	
Depreciation on Plant and Franchises	302,618.26	
		862,598.69
		$ 127,965.40
Deficit as at 31st December, 1921		5,188,279.72
Deficit as per Balance Sheet		$5,060,314.32

TOOL & HARDWARE CONCERNS JOINING AMALGAMATION

Stanley Works of Canada Will Control Important Industries

An important and interesting amalgamation has just taken place whereby the Canada Steel Goods Company, Limited, becomes the Stanley Works of Canada, Limited. The Stanley Works of Canada, Limited, will control plants at Hamilton and Roxton Pond, Que., which are now known as the Canada Steel Company, Ltd., Stanley Steel Company and Stanley Tool Company.

The head office of the company will be continued at Hamilton under the general management and treasurership of Colonel Arthur F. Hatch. It is the intention of the company to erect additional buildings at Hamilton, and also to make a number of lines which have not previously been made by these concerns in Canada.

The Stanley Works, New Britain, Conn., with which the Canadian company will be associated, owns and operates factories at Niles, Ohio; Newark, N. J.; Ridgewater, Mass.; Bridgeport, and Plantsville, Conn., and Kobe, Japan. Announcement of the amalgamation is made by Hardware and Metal.

The combined companies produce a wide range of carpenters' tools. wrought steel hardware and operate their own rolling mills, etc.

The Canada Steel Goods Co., Ltd., commenced business in Canada in 1903, at Leamington, Ont. In 1905 the company purchased the Grand River Metal Works at Galt and moved the two plants to Hamilton. In 1915 the Canada Steel Goods Co., Ltd, also purchased the business of Cowan and Britton, of Gananoque, Ont., a firm which had been established for over sixty years. The portion of this plant which could be used was transferred to the Hamilton plant. Since that time the company has also absorbed departments of other businesses.

The Stanley Steel Co., Limited, commenced the manufacture of cold rolled steel in Hamilton in 1916, which, it is said, is the only plant of its kind in Canada.

The Stanley Works, New Britain, had its origin in 1843.

It is understood that extensive additions to the plants at Hamilton will take place in the near future, and it is understood that the Canadian company will make additional products which are now being manufactured by the Stanley Works at New Britain.

TERMS OF INSURANCE AMALGAMATION DEAL

Details of Offer of Ontario Equitable to Policyholders Mutual

Details of the proposed amalgamation of the Policyholders' Mutual Life Insurance Compnay of Toronto and the Ontario Equitable Life & Accident Insurance Company are made known in a letter addressed to the shareholders of the former company by the managing director, A. M. Featherston. The offer of the Ontario Equitable, as given in the letter, is:

> "The proposition to our shareholders is that The Ontario Equitable will pay interest on the amount paid in to the credit of your capital stock at the rate of ten per cent. per annum, half yearly for ten years. In addition to each half-yearly payment of interest they will also pay an amount which at the end of the tenth year, with interest computed at five and one-half per cent., will repay you the amount to the credit of your stock in the company. It is to be noted that notwithstanding the amount which is repaid each six months on account of your investment the full 10 per cent. is paid on the full amount of your paid up investment for 10 years. Furthermore, in exchange for your stock certificate in The Policyholders' Mutual the Ontario Equitable will issue to you a certificate covering the above amounts in a form that will be negotiable if you should ever desire to use it."

A special general meeting of the company is being called for Tuesday, May 1st, to consider the offer, which is recommended by the directors.

C. M. A. Did Not Organize Employers' Association

Newspaper reports indicating that the new Employers' Association of New Brunswick had been organized under the auspices of the Canadian Manufacturers' Association, are officially denied. Officials of the C. M. A. in the Maritimes have wisely taken the course that the relations between employers and employees should be dealt with entirely in relation to individual plants or trades or through an association organized for this particular purpose, as distinct from the Manufacturers' Association, which is concerned primarily with the relations of the manufacturers and industry and the public.

It is proposed by the Employers' Association to co-operate in a friendly way with the provincial workmen's compensation board in maintaining an understanding between them, and in educating the different employers in improving their rates and thus reducing the premiums for compensation. Employers generally feel that the manufacturers have been misunderstood in their attitude towards their workers and labor generally because of the policy which has been followed by one particular concern.

Algoma Steel Corporation, Sault Ste. Marie, Ont., have blown in their No. 3 blast furnace. The company now have three furnaces in operation. Numbers one and four have been running for some time.

Irridium Has Been Found in B.C. Sands

From Our Own Correspondent.

VICTORIA.—Irridium, which now sells for $300 an ounce, and is used extensively as an alloy in the manufacture of internal combustion engines where the highest efficiency in material is required, such as for aeroplanes, has been discovered in the platinum black sand deposits of the Fraser River.

THEATRICAL BUSINESS SHOWS IMPROVEMENT

Loew's Toronto Earnings Reflect This General Upturn of Conditions

Theatrical enterprises are enjoying better business. This is said to be the general experience and is reflected in the earnings of Loew's, Toronto, for 1922. The company has two houses in Toronto, the Uptown and Loew's Yonge Street Theatre, and during the year was able to show steadily improving earnings to reduce bank loans by nearly $130,000, provide $23,186 for 1922 and 1923 taxes, and likewise meet 1920 and 1921 taxes amounting to $18,118. Furthermore, the operating deficit of the previous year has been substantially reduced.

Operating revenue, less expenses, from the Yonge Street theatre, totalled $172,618, and from the Bloor Street theatre, $53,694, an aggregate of $226,312. After interest, general expenses, and an allowance of $56,499 for depreciation, the profit for the year is carried down at $25,181. To this is added the deficit of $13,278, carried forward from the previous year, and after income taxes, there is a deficit amounting to $6,192.

The balance sheet shows assets totalling $2,308,164. Real estate, leaseholds, etc., are valued at $1,484,686. Current assets total $10,581. Current account overdraft has been reduced to $73,785. Bonded indebtedness has been reduced to $519,053. Accounts payable and accrued charges are lower at $14,514.

The report on the whole indicates that a very marked degree of recovery has been effected in 1922, and prospects point to a much better showing in 1923. Weekly earnings are said to be much better, and it is understood that directors have been able to pay off the balance of the bank loan.

UNCOLLECTED INCOME TAXES

St. John, N. B., Official Recommends Higher Exemptions

Duncan G. Lingley, city chamberlain of St. John, N. B., reports that 17 per cent. of last year's tax assessment remains uncollected. He expresses the opinion that this condition will not be remedied until a lower exemption in connection with income taxation is made to married men with families and only moderate incomes.

It is well known that the income tax, which proved so effective when adopted by the Dominion government, has been introduced by many municipalities. The rates and exemptions in these cases vary widely. In many cases when the Dominion tax does not apply, the municipal income tax is imposed. Thus in the city of St. John no distinction is made between married and single men. Those earning $1,000 or less receive exemption of $400; between $1,000 and $1,500 the exemption is $200, and those receiving more than $1,500 get no exemption.

It is evident that hardship may be caused in certain cases to men supporting a large family at present prices and no doubt some have found it impossible to pay the tax. While the income tax in itself may be a suitable source of revenue, when the burden is so great as to result in uncollected taxes, the question arises whether larger exemptions are not desirable.

PROPOSED FLOUR TARIFF IN SPIRIT OF RETALIATION

(Continued from page 1)

instead of wheat exports, and a tremendous increase in the milling industry resulted. The flour, shipped in bags instead of in bulk, and handled by hand instead of by machine methods, went to Great Britain without the accompaniment of by-products which are so important in feeding and finishing beef cattle.

Aiding British Mills

As a result of this condition, many of the flour mills in Great Britain were forced to close. From a country which, before the war, exported flour in excess of her domestic requirements to Scandinavian countries, Great Britain, during the war, became a country dependent upon imported breadstuffs. Recently, considerable pressure has been brought upon the British government to lend aid so that the flour mills may reopen. It seems as if the contemplated legislation may have been influenced from this quarter.

As to the contention that new regulations with respect to flour and wheat by-products are closely allied with cattle importations, it must be remembered that British cattle must compete in the open market against Canadian-bred stock. Any system which will solve the feed situation for breeders on the other side will be a boon, not only to those actually engaged in the breeding business, but to other interests—as yet embryonic—formed to finish feeders exported from this country.

Increase in the exportation of wheat would be likely to react unfavorably against Canadian stockmen. At present wheat by-products are required in Canada and are not excessive. There is no large exportable surplus. If wheat supplanted flour in volume for exportations, higher prices for mill offal would be more than likely.

Restriction of flour imports into the United Kingdom would be endorsed by livestock, milling and some consuming interests in Great Britain; would be tolerated by Canadian producers and shippers of wheat, but would probably find strong opposition from Canadian millers and stockbreeders and the consuming public in Britain which holds a preference for Canadian-made flour.

In this category there is another point to be considered: any tariff changes will be made at the expense of those who prefer flour ground in Dominion mills. In the past three or four years this following has increased enormously and public sentiment of considerable magnitude is almost certain to develop should anything be done to prevent them securing Canadian flour, or making that commodity more expensive to purchase.

And in Canada one must balance the loss of employment in the milling industry and the increased cost of feed to stock men on the one hand, against a problematic increased return to wheat growers and shippers, to decide if the proposed British tariff changes and importing innovations will be of real benefit.

TENDERS

TENDERS FOR DEBENTURES

THE SCHOOL COMMISSIONERS OF THE CITY OF HULL

Public notice is hereby given that the school commissioners of the city of Hull will receive from now up to the 1st of May, 1923, at 4 o'clock P.M., at the office of the undersigned, written tenders for the purchase of debentures of the said school commissioners of the city of Hull, amounting to $100,000.00, issued under a resolution passed the 13th day of February, 1923, and approved by the Lieutenant-Governor-in-Council the 6th day of April, 1923.

The said debentures shall be issued in denominations of five hundred and one thousand dollars each, maturing the 1st of April, 1953, at the rate of 5½% per annum, payable semi-yearly the 1st of October and April of each year, at the office of the secretary-treasurer of the school commissioners of the city of Hull, and they shall be printed only after the opening of the said tenders and made at the buyer's satisfaction.

Every tender must be sealed, endorsed "TENDER FOR DEBENTURES" and addressed to the secretary-treasurer of the school commissioners of the city of Hull. The tender price shall include the accrued interests on said bond.

An accepted cheque equal to 1% of the amount of the loan must accompany each tender.

Further particulars will be furnished on demand.

The school commissioners of the city of Hull do not bind themselves to accept any of the tenders.

Given at Hull, this 14th day of April, 1923.

JOSEPH PROVOST,
Secretary-Treasurer.

Hotel-de-Ville Street, Hull, Que.

City of Moose Jaw SALE OF DEBENTURES

Sealed tenders endorsed "Tenders for Debentures" will be received up to 11 A.M. on Wednesday, the 2nd day of May, 1923, for the sale of the following sinking fund debentures:—

(a) Water Connections	$ 3,702.00,	10 yrs.,	dated 1st June, 1923.
(b) Sewer Connections	3,698.00,	10 yrs.,	dated 1st June, 1923.
(c) Electrical Extensions	26,500.00,	10 yrs.,	dated 1st May, 1922.
(d) Cement Sidewalks	6,600.00,	15 yrs.,	dated 1st June, 1923.

Issues (a), (b) and (d) bear interest at the rate of 6% per annum payable semi-annually and issue (c) bears interest at the rate of 6½% per annum payable semi-annually. All issues have been approved by the Local Government Board and by the burgesses where necessary and in the case of Electrical Extensions, the legality of the by-law has been approved by Messrs. Long & Daly, Toronto.

Bids will be received alternatively on (1) for principal and interest payable in Canada only and (2) payable in Canada and New York.

The bonds are a direct obligation of the city at large and are issued in coupon form with principal payable at date of maturity.

The highest or any tender not necessarily accepted.

Further information will be furnished on application to the City Commissioners.

W. F. DUNN [Mayor],
GEO. D. MACKIE,
City Commissioners.

City Commissioners' Office,
Moose Jaw, Sask.,
April 10th, 1923.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Quarterly Dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Ltd., payable the 2nd day of April, 1923, to Shareholders of record at the close of business the 20th day of March, 1923.

By order of the Board.
L. R. WILSON,
Secretary.

Montreal Light, Heat & Power Consolidated

27TH DIVIDEND

Notice is hereby given that a dividend of One and One-Half per cent on the Paid-Up Capital Stock of the Company (being at the rate of Six per cent. per annum) for the quarter ending April 30th, 1923, has this day been declared:

1st—To shareholders of record, April 30th, 1923, on the Montreal and London, England, Registers.

2nd—To holders of share-warrants in redemption of coupon serial No. 27.

Dividend cheques will be mailed to registered shareholders May 15th, 1923; share-warrant coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the office of Mr. P. Bon de Sousa, 1 Rue des Italiens, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, April 16th, 1923.

COUNTY of WELLAND DEBENTURES

TENDERS will be received by the undersigned for the purchase of $100,000.00 of 5½ per cent. Highway Debentures payable in equal annual instalments in 10 years, up to and including Monday, April 23rd, 1923.

ROBERT COOPER,
County Clerk,
Welland, Ontario.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 145

Notice is hereby given that a dividend of three per cent. upon the capital stock of this Bank has been declared for the quarter ending 31st May, 1923, and that the same will be payable at the Bank and its Branches on and after Friday, 1st June next.

The transfer books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board.
JOHN AIRD,
General Manager.

Toronto, 13th April, 1923.

King Edward Construction Company LIMITED

April 14, 1923.

The half-yearly dividend date in respect of the Preference Shares being May 1st, notice is hereby given that the Transfer Books for both Preference and Common Shares will be closed from April 17th to May 1st inclusive.

By order of the Board.
GEORGE H. O'NEIL,
Treasurer.

Brazilian Traction, Light and Power Company LIMITED

(Incorporated under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of one per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st June, 1923, to all shareholders of record on the registers at the close of business on the 30th April, 1923.

Dated at Toronto, Canada, 14th April, 1923.

J. M. SMITH,
Secretary.

NOTE:—The Transfer Agents of the Company are National Trust Company, Limited. Toronto and Montreal, Canada. The London Agents of the Company are The Canadian and General Finance Company, Limited, 8 London Wall Buildings, London, E.C. 2.